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LEGISLATIVE HISTORY
PUBLIC LAW 439--81st Congress
Chapter 792--1st Session
H. R. 5345

TABLE OF CONTENTS

Digest of Public Law 439	1
Index and summary of History on H. R. 5345 , ,	2

AGRICULTURAL ACT OF 1949. Provides that price support for tobacco shall be 90 % of parity if marketing quotas are in effect. Provides that no price support shall be available for tobacco for any crop for which marketing quotas have been disapproved by producers.

Provides that for other basic commodities, corn, wheat, rice, cotton, and peanuts, the price support level for the 1950 crop shall be 90 % of parity if producers have not disapproved marketing quotas and either marketing quotas or acreage allotments are in effect. Provides that for the 1951 crops, price support for these five basic commodities shall not be more than 90 % of parity nor less than the higher of 80 % of parity, or the sliding scale (which varies from 75 to 90 % of parity depending on the relationship of total supply to normal supply) if producers have not disapproved marketing quotas for such commodities and marketing quotas or acreage allotments are in effect. Provides that for 1952 and future crops, as well as for the 1950 and 1951 crops if acreage allotments or marketing quotas are not in effect, the price support for these commodities shall be between a mandatory minimum determined by the sliding scale and 90 % of parity if producers have not disapproved marketing quotas. Provides that if producers for any crop of these five basic agricultural commodities disapprove marketing quotas, the price support for that crop of that commodity shall be 50 % of the parity price.

Includes tables giving minimum support levels as a percentage of parity for various supply percentages of each of the basic commodities. The first table applies to tobacco (except when marketing quotas are in effect), corn, wheat, and rice. The minimum support level for these commodities is 90 % of parity when the supply percentage (ratio of total supply to normal supply) is not more than 102. The minimum support level drops until it reaches 75 % for supply percentages in excess of 130. For cotton and peanuts the minimum support level is 90 % of parity until the supply percentage exceeds 108. The minimum support level decreases with an increase in the supply percentage until it reaches 75 % for supply percentages in excess of 130.

Amends the ten-year average parity price provision in the Agricultural Act of 1948 by including in the index of prices paid by farmers the wages that farmers pay hired labor and including in prices received by farmers the war-time payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act. The transitional parity provision in the Agricultural Act of 1948 is retained.

Provides that for the years 1950, 1951, 1952, and 1953 the parity prices for any basic agricultural commodity shall not be less than its parity price computed by existing formula. This results in the calculation of two parity prices for the next four years for the basic commodities and requires the use of the higher of these two parity prices. It appears that the existing parity price applies to corn, cotton, wheat and peanuts, while the new parity price applies to tobacco and rice.

Directs the Secretary to provide price support to certain designated non-basic agricultural commodities. Provides for price support for wool (including mohair) at such level between 60 and 90 percent of parity as the Secretary determines to be necessary in order to encourage the annual production of approximately 360 million pounds of shorn wool. Provides price support for tung nuts, honey and irish potatoes ranging between 60 and 90 percent of parity. Provides that for whole milk, butterfat and the products of such commodities, the price support is to be at such level within the range from 75 to 90 % of parity as the Secretary determines to be necessary in order to assure an adequate supply, and the support for whole milk, butterfat and products must be provided through loans on, or purchases of the products of milk and butterfat. The provisions described in this



paragraph apply to 1950 and future years.

Authorizes the Secretary to make available price support to producers for any other agricultural commodity at any level up to 90 % of parity. Provides that the minimum price support level to cooperating producers of any storable non-basic agricultural commodity shall vary from 75 to 90 % of parity according to variations in the supply percentage, if a marketing quota, marketing agreement or marketing order program is in effect and such price support is feasible. The minimum price support table varies according to supply percentage in the same manner as those previously described for corn, wheat and rice. However, this section permits the Secretary to set a level of price support less than the minimum in the table if he determines that a lower level is desirable and proper after an examination of the availability of funds for mandatory price support programs and other factors specified in the Act.

Provides that the price support level for any agricultural commodity may exceed 90 % of parity if the Secretary determines, after a public hearing, that the higher price support level is necessary to prevent or alleviate a shortage in agricultural commodities essential to national welfare or in order to increase or maintain the production of an agricultural commodity in the interest of national security.

Prohibits the Commodity Credit Corporation from selling any basic agricultural commodity or storable non-basic commodity at less than 105 percent of the current support price, plus reasonable carrying charges, but includes several desirable exceptions to this prohibition.

States that the money appropriated under Section 32 shall be devoted principally to perishable non-basic agricultural commodities and their products for which mandatory support is not provided.

Provides that for food commodities acquired under price support operations that are in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels of trade without impairment of the price support program, the Secretary of Agriculture and the Commodity Credit Corporation may make such commodities available to the Munitions Board or any other Federal agency for making payments for commodities not produced in the U. S. under terms and conditions that are deemed to be in the public interest, as determined by the Secretary. Any such commodities not disposed of in this manner may be made available at the point of storage at no cost to the following agencies in this order of priority: (1) School lunch programs and Bureau of Indian Affairs and public welfare organizations for the assistance of needy Indians and other needy persons; (2) private welfare organizations for the assistance of needy persons in the U. S.; and (3) private welfare organizations for the assistance of needy persons outside the U. S.

Provides that the Central Bank for Cooperatives and each Bank for Cooperatives may make loans to cooperative associations up to 80 % of the cost for financing the construction of storage structures for agricultural commodities. This provision does not apply to refrigerated cold storage or to structures in areas in which existing privately owned storage facilities are adequate for the commodity concerned. Provides that the cooperative association which has applied for a loan must have a commitment that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 % of the storage space for a period of at least 3 years if it is a new structure or 2 years if it is an addition to an existing structure.

Authorizes the CCC to utilize the full amount of its borrowing authority of \$4,750,000,000 for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act by removing the previous statutory prohibition against issuing obligations in excess of its assets.

INDEX AND SUMMARY OF HISTORY ON H. R. 5345

February 23, 1949	Hearings: House, "Agricultural Act of 1948". Pt. 1.
March 22, 1949	Hearings: House, "General Farm Program". (Corn acreage allotments and marketing quotas). Pt. 1
April 1, 1949	Hearings: House, "General Farm Program" (Wheat acreage allotments and marketing quotas). Pt. 4.
April 7, 1949	Hearings: House, "General Farm Program" (Testimony of Secretary of Agriculture Brannan). Pt. 2.
April 27, 1949	Hearings: House, "General Farm Program" (Testimony of farm organizations). Pt. 3.
May 2, 1949	Hearings: House, "General Farm Program" (Testimony of producer groups and members of Congress). Pt. 5.
May 18, 1949	S. 1882 was introduced by Senator Thomas and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Similar bill). H. R. 4753 was introduced by Rep. Cooley and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
May 31, 1949	S. 1971 was introduced by Senator Thomas and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Companion bill).
June 6, 1949	Hearings: House, "General Farm Program" (Price support through use of production payments). Pt. 6.
June 27, 1949	H. R. 5345 was introduced by Rep. Pace and was referred to the House Committee on Agriculture. Print of the bill as introduced.
July 7, 1949	Hearings: Senate, S. 1882 and S. 1971. House Committee reported H. R. 5345 without amendment. House Report 998. Print of the bill as reported.
July 13, 1949	H. R. 5617 was introduced by Rep. Gore and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
July 14, 1949	Rules Committee reported H. Res. 283 for the consideration of H. R. 5345. House Report 1057. Print of the resolution. Rep. Pace stated that the Gore bill, H. R. 5617, which the rule makes in order for consideration as a substitute for the Pace bill, would continue Title I of the Agricultural Act of 1948 and would, at the same time, permit Title II to go into effect and operate concurrently with Title I.
July 18, 1949	Rep. Sabath spoke in support of H. R. 5345, the price-support bill. Rep. Murray claimed the present law is not being followed in connection with price supports on dairy products.
July 20, 1949	House began debate on H. R. 5345.

July 21, 1949

Pace Bill & Committee Bill

House concluded debate and passed H. R. 5345, with amendment, by a yea-nay vote of 383-25.

Rejected, by a teller vote of 152-222, the Pace substitute which is the same as the original committee bill except that direct payments would be authorized for only Irish potatoes, eggs, and shorn wool (including mohair), until Jan. 1, 1952 (pp. 10133-60).

Agreed to the Gore substitute for the committee bill by a yea-nay vote of 239-170 (pp. 10131-61). This amendment provides for continuing the existing program for another year.

Before the Gore amendment was voted upon, the following amendments to it were agreed to:

By Rep. Sutton, to repeal Titles II and III of the Agricultural Act of 1948 rather than postponing their effective date for another year (pp. 10135-44).

By Rep. Gathings, providing that price supports shall be made available to cottonseed producers at levels not in excess of parity, taking into account the price levels at which other commodities are being supported (pp. 10146-7).

By Rep. Sasscer, to authorize price supports for Maryland and cigarleaf types of tobacco until Sept. 30, 1951, because of a special marketing season on these types of tobacco; by a 58-37 vote (p. 10149).

By Rep. Fisher, requiring that mohair be supported at not in excess of 90% of parity taking into account the price level at which wool is being supported (p. 10149).

Except for these amendments, the bill as passed by the House is identical with Title I of the Agricultural Act of 1948. Before the final vote was taken, the following amendments were rejected:

By Rep. Lemke, to increase the price-support levels from 60% and 90% to 75% and 100% of parity (pp. 10147-8).

By Rep. Abbitt, to extend the present program permanently rather than for one year (pp. 10148-9).

By Rep. Hays, to continue the existing program for 1½ years instead of one year (p. 10149).

By Rep. Wichersham, to permit accumulation of Sec. 32 funds up to a total of \$300,000,000 (p. 10154).

The following amendments to the Pace substitute were also rejected before a vote was taken on that amendment:

By Rep. Forand, to eliminate the limitation "shorn" in the wool-support provision (pp. 10142-4).

By Rep. Abernethy, to strike out the direct-payments provision (pp. 10144-7).

July 22, 1949

Print of H. R. 5345 as referred to the Senate Committee on Agriculture and Forestry.

August 19, 1949

Print of an amendment to H. R. 5345 proposed by Senator Stennis.

August 22, 1949 Hearings: Senate, "Farm Price-Support Program" (S. 2522).

August 31, 1949 S. 2522 was introduced by Senator Anderson and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Companion bill). *over Jan 6*

September 20, 1949 Senate Committee reported S. 2522 without amendment. Senate Report 1091. Print of the bill as reported.

September 21, 1949 Prints of amendments to S. 2522 proposed by Senators Johnson and Watkins.

September 26, 1949 Prints of amendments to S. 2522 proposed by Senators Anderson, Young, and Butler.

September 27, 1949 Prints of amendments to S. 2522 proposed by Sen. Aiken.

September 28, 1949 Print of an amendment to S. 2522 proposed by Sen. Gillette.

September 30, 1949 Prints of amendments to S. 2522 proposed by Senators Lucas and Anderson.

September 30, 1949 S. 2522 was made unfinished business in the Senate.

October 3, 1949 Senate began debate on S. 2522. Agreed to the following amendments:

By Sen. Maybank, to amend the restriction on sales of CCC commodities so that handling costs would be added to support prices in figuring the minimum sale price (p. 13897).

By Sen. Watkins, to provide for price supports on honey (pp. 13898-9).

By Sen. Williams, to require that, if the Secretary supports any type of poultry, he must offer the same terms to broiler growers (pp. 13899-902).

By Sen. Lucas, to exclude from "normal supply" the quantities of a commodity which the Government must dispose of at a loss (pp. 13917-9).

By Sen. Anderson, to enable action to be taken under the Agricultural Act of 1948 regarding establishment of quotas (p. 13922).

The following amendments were discussed, but it was agreed that votes on them, together with others which were not yet presented, should be postponed until tomorrow:

By Sen. Magnuson, to prohibit the U. S. from entering into a trade agreement or other international obligation which does not reserve the right to impose import quotas and fees (pp. 13902-6).

By Sen. Chapman, to restrict the reductions which may be made in burley-tobacco acreage (pp. 13921-2).

By Sen. Anderson, to clear up a point regarding corn marketing quotas (p. 13922).

Prints of amendments to S. 2522 proposed by Senators Anderson, Butler, Chapman, Magnuson, and Stennis.

October 4, 1949

Debate continued on S. 2522. Rejected, 35-37, the Magnuson amendment requiring future trade agreements, treaties, etc., to reserve the right to impose import fees and quotas (pp. 14068-80).

Sen. Maybank agreed that his amendment, adopted Oct. 3, regarding minimum sale prices for CCC commodities, was intended to relate to basic commodities and not to perishables; and Sen. Anderson said this point would be considered in conference (p. 14049).

Rejected 37-38, the Young-Russell amendment providing for mandatory supports on basic commodities at 90% of parity when acreage allotments or marketing quotas are in effect (pp. 14049-67). Sen. Withers then made a motion to reconsider the vote by which the Young-Russell amendment had been defeated; Sen. Williams made a motion to lay the Withers motion on the table; the Williams motion was rejected, 37-38, with the Vice President breaking a tie; and the motion to reconsider was agreed to. (pp. 14080-1.) Then a vote was again taken on the Young-Russell amendment, and the amendment was agreed to, 38-37, with the Vice President breaking a tie (p. 14081).

The Senate then agreed, 41-29, to a motion by Sen. Anderson to recommit the bill to committee with instructions for the committee to report it back within 48 hours, with or without amendments (pp. 14096-100).

October 5, 1949

Senate Committee was allowed extension of time to report the bill back.

October 6, 1949

Senate Committee reported H. R. 5345 with amendment. Senate Report 1130. Print of the bill as reported.

The committee amendment is the language of S. 2522, as amended, inserted in lieu of that of H. R. 5345.

Senate Committee also reported S. 2522 with amendments. Senate Report 1129. Print of the bill as reported.

Prints of amendments to S. 2522 proposed by Senators Magnuson and Anderson.

October 7, 1949

Debate continued on H. R. 5345. The House bill, H. R. 5345, had been reported with an amendment in the nature of a substitute that was identical with the amended Senate bill, S. 2522. The Senate agreed to debate the House bill, as amended (this simplified the parliamentary procedure).

Agreed to an Anderson amendment to the provision regarding minimum sale price on CCC commodities, providing that 5% be added to the support price, in addition to handling charges, but exempting from this minimum-sale-price provision commodities to be used for certain purposes, etc. (pp. 14351-4).

Agreed to a Fulbright amendment to make various changes in legislation regarding computation of acreage allotments for rice (pp. 14354-5).

October 11, 1949	Senate continued debate on H. R. 5345.
October 12, 1949	Senate passed H. R. 5345 with amendments. Senate conferees were appointed. S. 2522 indefinitely postponed due to passage of H. R. 5345.
October 13, 1949	House conferees were appointed.
October 19, 1949	Both Houses agreed to conference report on H. R. 5345. H. Report No. 1459.
October 31, 1949	Approved: Public Law 439, 81st Congress.

81st CONGRESS
1st Session

S. 1882

IN THE SENATE OF THE UNITED STATES

MAY 18 (legislative day, APRIL 11), 1949

Mr. THOMAS of Oklahoma introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended
by the Agricultural Act of 1948.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 (a) of the Agricultural Adjustment Act
4 of 1938, as amended by title II of the Agricultural Act of
5 1948, is amended by deleting subsections (1) and (2)
6 thereof and inserting in lieu thereof the following:

7 “(1) (A) The term ‘income support standard’, as of
8 any date, means the average annual aggregate purchasing
9 power of cash receipts from all farm marketings, including
10 production payments made under section 302 of this title,
11 during a period consisting of the first ten of the preceding

1 twelve calendar years (except that during 1950, such period
2 shall consist of the calendar years 1939 through 1948,
3 inclusive), computed as follows: (i) Divide such cash
4 receipts for each of such ten years by the parity index for
5 such year; (ii) add the amounts obtained under (i) above
6 for each of the ten years and divide by ten; (iii) multiply
7 the amount obtained under (ii) above by the most recent
8 parity index.

9 “(B) The term ‘parity index’, as of any date, means
10 the ratio of (i) the general level of prices for articles
11 and services that farmers buy, interest on farm indebted-
12 ness secured by farm real estate, and taxes on farm real
13 estate, for the calendar month ending last before such date
14 to (ii) the general level of such prices, interest, and taxes
15 during a period consisting of the first ten of the last pre-
16 ceding twelve calendar years (except that during 1950,
17 such period shall consist of the calendar years 1939 through
18 1948, inclusive). The parity index for any year shall
19 be the simple average of the twelve monthly parity indexes
20 computed for such year.

21 “(C) The term ‘price support standard’ for each agri-
22 cultural commodity means a price computed as follows:
23 Multiply the average of the prices received by farmers
24 (including any production payments made under section
25 302 of this title) for the commodity for each of the ten

1 immediately preceding calendar years, or for each market-
2 ing season beginning in such period if the Secretary de-
3 termines that use of a calendar-year basis is impracticable,
4 by the ratio of (i) the current income support standard
5 to (ii) the actual average level of cash receipts from farm
6 marketings, including production payments made under
7 section 302 of this title, during the ten immediately pre-
8 ceding years.

9 “(D) The standards, prices, and indexes provided for
10 herein, and the data used in computing them, shall be de-
11 termined by the Secretary, whose determination shall be
12 final and conclusive.”

13 SEC. 2. Section 302 of the Agricultural Adjustment
14 Act of 1938, as amended by title II of the Agricultural Act
15 of 1948, is amended to read as follows:

16 “SEC. 302. (a) The Secretary, through the Commod-
17 ity Credit Corporation and other means available to him,
18 is authorized to support prices of agricultural commodities
19 to producers through loans, purchases, production payments,
20 and other operations. Except as otherwise provided in
21 this section, the type, amounts, terms, and conditions of
22 such price support operations, and the extent to which
23 such operations are carried out, shall, in the case of op-
24 erations carried out by Commodity Credit Corporation, be
25 determined by the Corporation with the approval and sub-

1 ject to the direction of the Secretary, and, in the case of
2 operations carried out by other means, be determined by
3 the Secretary. Compliance by the producer with acreage
4 allotments, production goals, marketing practices including
5 marketing quotas, and conservation and good land use prac-
6 tices as prescribed by the Secretary, may be required as
7 a condition of eligibility for price support. The Secretary
8 may, in lieu of denying price support to a producer who
9 has not complied with such conditions, provide for price
10 support at reduced rates to such producers. The Secretary
11 shall in all cases give consideration to the practicability
12 of supporting prices indirectly, as by the development of
13 improved merchandising methods.

14 “(b) Price support shall be made available to the
15 producers of corn, cotton, wheat, tobacco, whole milk,
16 chicken eggs, farm chickens, hogs, beef cattle, and lambs,
17 at levels equal to the price support standard for each of
18 such commodities as of the beginning of the marketing year
19 or season, in the case of those commodities marketed on a
20 marketing year or seasonal basis, and as of January 1, in
21 the case of commodities not so marketed (the price support
22 standard as of July 1 may be used for the last six months
23 of the year, in the latter case, if the Secretary so determines).
24 If acreage allotments or marketing quotas are in effect, the
25 price support level for producers outside the commercial corn

1 producing area shall be 75 per centum of the level at which
2 the price of corn is supported in the commercial corn pro-
3 ducing area. Notwithstanding the foregoing provisions of
4 this section, if the Secretary determines that the price support
5 standard for whole milk, chicken eggs, farm chickens, hogs,
6 beef cattle, or lambs, is too high in relation to prices and
7 price support levels of feed commodities to permit the
8 maintenance of desirable feed ratios, the prices at which such
9 commodities are to be supported may be reduced by not
10 more than 15 per centum to levels which the Secretary
11 determines will reflect desirable feed ratios.

12 “(c) Price support shall be made available to producers
13 of agricultural commodities other than those specified in
14 subsection (b) of this section at such levels and to such
15 extent as the Secretary determines will result in fair and
16 equitable treatment of such producers, taking into account
17 the following factors: (1) the supply of the commodity
18 in relation to the demand therefor; (2) the price levels
19 at which other commodities are being supported, includ-
20 ing the feeding values of other grains in relation to corn;
21 (3) the availability of funds after provision is made for
22 operations with respect to commodities specified in sub-
23 section (b) of this section; (4) the perishability of the
24 commodity; (5) its importance to agriculture and the

1 national economy; (6) the ability to dispose of stocks
2 acquired through a price support operation; (7) the need
3 for offsetting temporary losses of export markets; and (8)
4 the ability and willingness of producers to keep supplies
5 in line with demand. The levels of such price support shall
6 not exceed the price support standards for the respective
7 agricultural commodities as of the beginning of the market-
8 ing year or season, in the case of those commodities marketed
9 on a marketing year or seasonal basis, and as of January 1,
10 in the case of commodities not so marketed (the price sup-
11 port standard as of July 1 may be used for the last six months
12 of the year, in the latter case, if the Secretary so determines).

13 “(d) Notwithstanding any other provision of this title,
14 price support for any agricultural commodity at a level in
15 excess of the price support standard for such commodity
16 may be undertaken whenever it is determined by the Secre-
17 tary, and public notice given thereof, that price support at
18 such increased level is necessary in order to increase or
19 maintain the production of such commodity in the national
20 interest.

21 “(e) Nothing in this section shall prevent the announce-
22 ment of the level of price support for any agricultural com-
23 modity in advance of the beginning of the marketing year
24 or season (January 1 or July 1 in the case of commodities
25 not marketed on a marketing year or season basis) if the

1 level of price support so announced does not exceed the
2 estimated price support standard, based upon the latest in-
3 formation and statistics available to the Secretary when such
4 level of price support is announced, and the level of price
5 support so announced shall not be reduced if the price sup-
6 port standard, when determined, is less than the level so
7 announced.

8 “(f) Appropriate adjustments may be made in the sup-
9 port price for any commodity for differences in grade, type,
10 location, and other factors. Such adjustments shall be made
11 in such manner that the average support price for the com-
12 modity in each marketing year or season will, on the basis
13 of the anticipated incidence of such factors, be equal to the
14 level determined as provided in this section for such market-
15 ing year or season.

16 “(g) If the price of any agricultural commodity is
17 supported by production payments, the Secretary may de-
18 termine the rate or rates of payment annually, or periodically,
19 on the basis of the amount by which the estimated average
20 price to producers of the commodity nationally, or in such
21 areas as the Secretary may determine, for the period to which
22 the rate relates is less than the level of price support there-
23 for; and such rate or rates may be adjusted by the Secretary,
24 for differences in grade, type, location, and other factors, if
25 he determines that such adjustments are practicable and es-

1 sential to the effective operation of the price support program
2 for such commodity. Production payments shall so far as
3 practicable be limited to the quantities of the commodity
4 marketed by the producer. Production payments need not
5 be made with respect to any commodity if the Secretary
6 determines that the total amount of production payments
7 which would be made to the producers of the commodity
8 is too small to justify the administrative cost of making such
9 payments.

10 “(h) If producers have disapproved marketing quotas
11 with respect to any agricultural commodity in a refer-
12 endum held with respect to such quotas: (i) in the case
13 of any commodity produced on a crop year or seasonal
14 basis, no price-support operations shall be undertaken with
15 respect to the crop or crops of the commodity to which the
16 marketing quotas would have been applicable, (ii) in the
17 case of any commodity not produced on a crop year or sea-
18 sonal basis, no price-support operations shall be undertaken
19 with respect to any quantity of the commodity marketed
20 during the period that the marketing quotas would have
21 been in effect: *Provided*, That this provision shall not pre-
22 clude price-support operations with respect to more than
23 one marketing year, or calendar year, because of the dis-
24 approval of marketing quotas at any one referendum. The
25 Secretary may also prescribe, as a condition to undertaking

1 price-support operations for any agricultural commodity,
2 that appropriate marketing orders under the Agricultural
3 Marketing Agreement Act of 1937, as amended, be in
4 effect for the commodity in applicable regional production
5 or marketing areas prescribed by the Secretary.

6 “(i) No producer shall be personally liable for any
7 deficiency arising from the sale of the collateral securing
8 any loan made under authority of this section unless such
9 loan was obtained through fraudulent representations by the
10 producer. This provision shall not, however, be construed
11 to prevent Commodity Credit Corporation or the Secretary
12 from requiring producers to assume liability for deficiencies
13 in the grade, quality, or quantity of commodities stored on
14 the farm or delivered by them, for failure properly to care
15 for and preserve commodities, or for failure or refusal to
16 deliver commodities in accordance with the requirements
17 of the program.

18 “(j) The Commodity Credit Corporation shall not sell
19 any farm commodity owned or controlled by it at less than
20 the current price-support level for such commodity, except
21 that the foregoing restrictions shall not apply to (A) sales
22 for new or byproduct uses; (B) sales of peanuts for the
23 extraction of oil; (C) sales for seed or feed if such sales
24 will not substantially impair any price-support program;
25 (D) sales of commodities which have substantially deterio-

1 rated in quality or of commodities where there is danger
2 of loss or waste through spoilage; (E) sales for the purpose
3 of establishing claims against persons who have committed
4 fraud, misrepresentation, or other wrongful acts with respect
5 to the commodity; (F) sales for export; (G) sales of wool;
6 and (H) sales for other than primary uses.

7 “(k) The Secretary, in carrying out programs with
8 respect to any agricultural commodities under section 32
9 of the Public Law Numbered 320, Seventy-fourth Congress,
10 approved August 24, 1935, as amended, and section 6 of the
11 National School Lunch Act, may utilize the services and
12 facilities of the Commodity Credit Corporation (including
13 but not limited to procurement by contract) and make ad-
14 vance payments to it.

15 “(l) A maximum of one thousand eight hundred com-
16 parative units of agricultural commodities per farm shall
17 receive price support in any one calendar year: *Provided*,
18 That if the production on such farm of agricultural commodi-
19 ties, with respect to which farm marketing quotas have been
20 approved by producers for the marketing year or season
21 commencing in such calendar year exceed one thousand
22 eight hundred comparative units, the producer, if he is other-
23 wise eligible for price support, shall receive price support
24 on the entire production of such commodities but no other
25 commodities produced on such farm during such calendar

1 year shall receive price support, except that such producer
2 may obtain price support on not in excess of one thousand
3 eight hundred comparative units of such other agricultural
4 commodities in lieu of obtaining price support on an equivalent
5 quantity of the commodities for which farm marketing
6 quotas have been approved by producers. For the purpose of
7 this provision, a 'comparative unit' of corn shall be ten bushels
8 and for other agricultural commodities it shall be that quantity
9 of the commodity the value of which at the support price
10 standard equals the value of ten bushels of corn at the support
11 price standard."

12 SEC. 3. This Act shall become effective January 1,
13 1950, but no provision herein shall affect price support
14 operations with respect to any agricultural commodity the
15 marketing year or season for which commences prior to
16 January 1, 1950.

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948.

By Mr. THOMAS of Oklahoma

MAY 18 (legislative day, APRIL 11), 1949
Read twice and referred to the Committee on
Agriculture and Forestry

81ST CONGRESS
1ST SESSION

H. R. 4753

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 1949

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended
by the Agricultural Act of 1948.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 301 (a) of the Agricultural Adjustment Act
4 of 1938, as amended by title II of the Agricultural Act of
5 1948, is amended by deleting subsections (1) and (2)
6 thereof and inserting in lieu thereof the following:

7 “(1) (A) The term ‘income support standard’, as of
8 any date, means the average annual aggregate purchasing
9 power of cash receipts from all farm marketings, including
10 production payments made under section 302 of this title,
11 during a period consisting of the first ten of the preceding

1 twelve calendar years (except that during 1950, such period
2 shall consist of the calendar years 1939 through 1948, inclu-
3 sive), computed as follows: (i) Divide such cash receipts
4 for each of such ten years by the parity index for such year;
5 (ii) add the amounts obtained under (i) above for each
6 of the ten years and divide by ten; (iii) multiply the amount
7 obtained under (ii) above by the most recent parity index

8 “(B) The term ‘parity index’, as of any date, means
9 the ratio of (i) the general level of prices for articles and
10 services that farmers buy, interest on farm indebtedness
11 secured by farm real estate, and taxes on farm real estate,
12 for the calendar month ending last before such date to (ii)
13 the general level of such prices, interest, and taxes during
14 a period consisting of the first ten of the last preceding
15 twelve calendar years (except that during 1950, such period
16 shall consist of the calendar years 1939 through 1948, inclu-
17 sive). The parity index for any year shall be the simple
18 average of the twelve monthly parity indexes computed for
19 such year.

20 “(C) The term ‘price support standard’ for each agri-
21 cultural commodity means a price computed as follows:
22 Multiply the average of the prices received by farmers
23 (including any production payments made under section 302
24 of this title) for the commodity for each of the ten immedi-
25 ately preceding calendar years, or for each marketing season

1 beginning in such period if the Secretary determines that
2 use of a calendar year basis is impracticable, by the ratio of
3 (i) the current income support standard to (ii) the actual
4 average level of cash receipts from farm marketings, includ-
5 ing production payments made under section 302 of this title,
6 during the ten immediately preceding years.

7 “(D) The standards, prices, and indexes provided for
8 herein, and the data used in computing them, shall be
9 determined by the Secretary, whose determination shall
10 be final and conclusive.”

11 SEC. 2. Section 302 of the Agricultural Adjustment Act
12 of 1938, as amended by title II of the Agricultural Act of
13 1948, is amended to read as follows:

14 “SEC. 302. (a) The Secretary, through the Commodity
15 Credit Corporation and other means available to him, is
16 authorized to support prices of agricultural commodities to
17 producers through loans, purchases, production payments,
18 and other operations. Except as otherwise provided in this
19 section, the type, amounts, terms, and conditions of such
20 price-support operations, and the extent to which such
21 operations are carried out, shall, in the case of operations
22 carried out by Commodity Credit Corporation, be deter-
23 mined by the Corporation with the approval and subject to
24 the direction of the Secretary, and, in the case of operations
25 carried out by other means, be determined by the Secretary.

1 Compliance by the producer with acreage allotments, pro-
2 duction goals, marketing practices, including marketing
3 quotas, and conservation and good-land-use practices as pre-
4 scribed by the Secretary, may be required as a condition of
5 eligibility for price support. The Secretary may, in lieu of
6 denying price support to a producer who has not complied
7 with such conditions, provide for price support at reduced
8 rates to such producers. The Secretary shall in all cases
9 give consideration to the practicability of supporting prices
10 indirectly, as by the development of improved merchandising
11 methods.

12 “(b) Price support shall be made available to the
13 producers of corn, cotton, wheat, peanuts, wool, tobacco,
14 whole milk, chicken eggs, farm chickens, hogs, beef cattle,
15 and lambs, at levels equal to the price-support standard for
16 each of such commodities as of the beginning of the market-
17 ing year or season, in the case of those commodities marketed
18 on a marketing year or seasonal basis, and as of January
19 1, in the case of commodities not so marketed (the price-
20 support standard as of July 1 may be used for the last six
21 months of the year, in the latter case, if the Secretary so
22 determines). If acreage allotments or marketing quotas
23 are in effect, the price-support level for producers outside
24 the commercial corn-producing area shall be 75 per centum
25 of the level at which the price of corn is supported in the

1 commercial corn-producing area. Notwithstanding the
2 foregoing provisions of this section, if the Secretary deter-
3 mines that the price-support standard for whole milk,
4 chicken eggs, farm chickens, hogs, beef cattle, or lambs
5 is too high in relation to prices and price-support levels
6 of feed commodities to permit the maintenance of desirable
7 feed ratios, the prices at which such commodities are to
8 be supported may be reduced by not more than 15 per
9 centum to levels which the Secretary determines will re-
10 flect desirable feed ratios.

11 “(c) Price support shall be made available to producers
12 of agricultural commodities other than those specified in sub-
13 section (b) of this section at such levels and to such extent
14 as the Secretary determines will result in fair and equitable
15 treatment of such producers, taking into account the follow-
16 ing factors: (1) The supply of the commodity in relation
17 to the demand therefor; (2) the price levels at which other
18 commodities are being supported, including the feeding
19 values of other grains in relation to corn; (3) the availability
20 of funds after provision is made for operations with respect
21 to commodities specified in subsection (b) of this section;
22 (4) the perishability of the commodity; (5) its importance
23 to agriculture and the national economy; (6) the ability to
24 dispose of stocks acquired through a price-support opera-

tion; (7) the need for offsetting temporary losses of export markets; and (8) the ability and willingness of producers to keep supplies in line with demand. The levels of such price support shall not exceed the price-support standards for the respective agricultural commodities as of the beginning of the marketing year or season, in the case of those commodities marketed on a marketing year or seasonal basis, and as of January 1, in the case of commodities not so marketed (the price-support standard as of July 1 may be used for the last six months of the year, in the latter case, if the Secretary so determines).

“(d) Notwithstanding any other provision of this title, price support for any agricultural commodity at a level in excess of the price-support standard for such commodity may be undertaken whenever it is determined by the Secretary, and public notice given thereof, that price support at such increased level is necessary in order to increase or maintain the production of such commodity in the national interest

“(e) Nothing in this section shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season (January 1 or July 1 in the case of commodities not marketed on a marketing year or season basis) if the level of price support so announced does not exceed the estimated price support standard, based upon the latest

1 information and statistics available to the Secretary when
2 such level of price support is announced, and the level of
3 price support so announced shall not be reduced if the price
4 support standard, when determined, is less than the level so
5 announced.

6 “(f) Appropriate adjustments may be made in the
7 support price for any commodity for differences in grade,
8 type, location, and other factors. Such adjustments shall
9 be made in such manner that the average support price for
10 the commodity in each marketing year or season will, on
11 the basis of the anticipated incidence of such factors, be equal
12 to the level determined as provided in this section for such
13 marketing year or season.

14 “(g) If the price of any agricultural commodity is
15 supported by production payments, the Secretary may de-
16 termine the rate or rates of payment annually, or periodically,
17 on the basis of the amount by which the estimated average
18 price to producers of the commodity nationally, or in such
19 areas as the Secretary may determine, for the period to which
20 the rate relates is less than the level of price support therefor;
21 and such rate or rates may be adjusted by the Secretary, for
22 differences in grade, type, location, and other factors, if he
23 determines that such adjustments are practicable and essential
24 to the effective operation of the price-support program for
25 such commodity. Production payments shall so far as prac-

1 ticable be limited to the quantities of the commodity mark-
2 eted by the producer. Production payments need not be
3 made with respect to any commodity if the Secretary de-
4 termines that the total amount of production payments which
5 would be made to the producers of the commodity is too
6 small to justify the administrative cost of making such
7 payments.

8 “(h) If producers have disapproved marketing quotas
9 with respect to any agricultural commodity in a referendum
10 held with respect to such quotas: (i) in the case of any
11 commodity produced on a crop year or seasonal basis,
12 no price support operations shall be undertaken with respect
13 to the crop or crops of the commodity to which the mar-
14 keting quotas would have been applicable, (ii) in the case
15 of any commodity not produced on a crop year or seasonal
16 basis, no price support operations shall be undertaken with
17 respect to any quantity of the commodity marketed dur-
18 ing the period that the marketing quotas would have been
19 in effect: *Provided*, That this provision shall not preclude
20 price support operations with respect to more than one
21 marketing year, or calendar year, because of the disapproval
22 of marketing quotas at any one referendum. The Sec-
23 retary may also prescribe, as a condition to undertaking price
24 support operations for any agricultural commodity, that
25 appropriate marketing orders under the Agricultural Mar-

1 keting Agreement Act of 1937, as amended, be in effect
2 for the commodity in applicable regional production or
3 marketing areas prescribed by the Secretary.

4 “(i) No producer shall be personally liable for any
5 deficiency arising from the sale of the collateral securing
6 any loan made under authority of this section unless such
7 loan was obtained through fraudulent representations by
8 the producer. This provision shall not, however, be con-
9 strued to prevent Commodity Credit Corporation or the
10 Secretary from requiring producers to assume liability for
11 deficiencies in the grade, quality, or quantity of commodities
12 stored on the farm or delivered by them, for failure properly
13 to care for and preserve commodities, or for failure or refusal
14 to deliver commodities in accordance with the requirements
15 of the program.

16 “(j) The Commodity Credit Corporation shall not sell
17 any farm commodity owned or controlled by it at less than
18 the current price support level for such commodity, except
19 that the foregoing restrictions shall not apply to (A) sales
20 for new or byproduct uses; (B) sales of peanuts for the
21 extraction of oil; (C) sales for seed or feed if such sales
22 will not substantially impair any price support program;
23 (D) sales of commodities which have substantially deterio-
24 rated in quality or of commodities where there is danger of
25 loss or waste through spoilage; (E) sales for the purpose

1 of establishing claims against persons who have committed
2 fraud, misrepresentation, or other wrongful acts with respect
3 to the commodity; (F) sales for export; (G) sales of wool;
4 and (H) sales for other than primary uses.

5 “(k) The Secretary, in carrying out programs with
6 respect to any agricultural commodities under section 32 of
7 the Public Law Numbered 320, Seventy-fourth Congress,
8 approved August 24, 1935, as amended, and section 6 of
9 the National School Lunch Act, may utilize the services
10 and facilities of the Commodity Credit Corporation (includ-
11 ing but not limited to procurement by contract) and make
12 advance payments to it.”

13 SEC. 3. This Act shall become effective January 1,
14 1950, but no provision herein shall affect price support op-
15 erations with respect to any agricultural commodity the
16 marketing year or season for which commences prior to
17 January 1, 1950.

81ST CONGRESS
1ST SESSION

H. R. 4753

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948.

By Mr. COOLEY

MAY 18, 1949

Referred to the Committee on Agriculture

81ST CONGRESS.
1ST SESSION

S. 1971

IN THE SENATE OF THE UNITED STATES

MAY 31 (legislative day, MAY 23), 1949

Mr. THOMAS of Oklahoma introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To stabilize farm income and farm prices of agricultural commodities; to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Adjust-
4 ment Act of 1949".

5 RELATION TO PRIOR STATUTES

6 SEC. 2. This Act reenacts with amendments the pro-
7 visions of the Agricultural Adjustment Act of 1938, as
8 amended, supplemented, and modified from time to time,
9 including the amendments made by the Agricultural Act
10 of 1948. The reenactment of these provisions with amend-

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1 keted on a Nation-wide market, and substantial quantities
2 of these commodities, in raw or processed form, are shipped
3 to foreign countries.

4 The marketing of these agricultural commodities is of
5 direct and vital concern to the welfare of the Nation. The
6 marketing is attended with substantial and far-reaching
7 consequences to commerce among the States and with for-
8 eign countries. The economic interests are so interrelated
9 that the marketing of each of these commodities directly
10 and immediately concerns more States than one. Some of
11 the economic imbalances, in the marketing of these agri-
12 cultural commodities, which throughout the channels of
13 commerce directly impinge on the public welfare, are re-
14 curring surpluses and shortages; inadequate or impaired pur-
15 chasing power of the producers; and disorderly marketing
16 practices which result in economic strife, create congestion in
17 storage, transportation, processing, or other handling facili-
18 ties, and the marketing of the commodities of low quality.
19 The needs of the Nation are such that these agricultural
20 commodities must be available in adequate volume, without
21 impairing or wasting the soil resources of the country, and
22 must be marketed in an orderly manner.

23 The agricultural commodities covered by the market-
24 ing provisions of this Act are produced for commercial
25 purposes, and the entire production of such commodities

1 is available for marketing either within the State of pro-
2 duction or in interstate and foreign commerce. All market-
3 ing of these agricultural commodities is either in the current
4 of interstate or foreign commerce or directly burdens, ob-
5 structs, or affects such commerce. The marketing of that
6 part of such commodities as enters directly into the current
7 of interstate and foreign commerce cannot be effectively
8 regulated without extending the regulation, in the manner
9 provided in this Act, also to that part which is marketed
10 within the State of production.

11 TITLE I—GENERAL DEFINITIONS

12 SEC. 101. For the purposes of this Act—

13 (a) (1) The term “income support standard”, as of
14 any date, means the average annual aggregate purchas-
15 ing power of cash receipts from all farm marketings, in-
16 cluding production payments made under title II of this
17 Act, during a period consisting of the first ten of the pre-
18 ceding twelve calendar years (except that during 1950
19 such period shall consist of the calendar years 1939 through
20 1948, inclusive), computed as follows: (i) Divide such
21 cash receipts for each of such ten years by the parity index
22 for such year; (ii) add the amounts obtained under (i)
23 above for each of the ten years and divide by ten; (iii)
24 multiply the amount obtained under (ii) above by the most
25 recent parity index.

1 (2) The term "parity index", as of any date, means
2 the ratio of (i) the general level of prices for articles and
3 services that farmers buy, interest on farm indebtedness
4 secured by farm real estate, and taxes on farm real estate,
5 for the calendar month ending last before such date to (ii)
6 the general level of such prices, interest, and taxes during a
7 period consisting of the first ten of the last preceding twelve
8 calendar years (except that during 1950, such period shall
9 consist of the calendar years 1939 through 1948, inclusive).
10 The parity index for any year shall be the simple average
11 of the twelve monthly parity indexes computed for such
12 year.

13 (b) The term "price support standard" for each agri-
14 cultural commodity means a price computed as follows:
15 Multiply the average of the prices received by farmers (plus
16 any production payments made under title II of this Act)
17 for the commodity for each of the ten immediately preceding
18 calendar years, or for each marketing season beginning in
19 such period if the Secretary determines that use of a calendar
20 year basis is impracticable, by the ratio of (i) the current
21 income support standard to (ii) the actual average level of
22 cash receipts from farm marketings, including production
23 payments made under title II, during the ten immediately
24 preceding years.

25 (c) The standards, prices, and indexes provided for in

1 subsections (a) and (b) of this section, and the data used
2 in computing them, shall be determined by the Secretary,
3 whose determination shall be final and conclusive.

4 (d) The term "interstate and foreign commerce" means
5 sale, marketing, trade, and traffic between any State, Terri-
6 tory, possession, or the District of Columbia and any place
7 outside thereof; or between points within the same State,
8 Territory, or possession, or within the District of Columbia,
9 through any place outside thereof; or within any Territory
10 or possession, or within the District of Columbia. For pur-
11 poses of this Act (but in no wise limiting the foregoing
12 definition), a marketing transaction in respect to an agri-
13 cultural commodity or the product thereof shall be considered
14 in interstate or foreign commerce if such commodity or
15 product is part of that current of interstate or foreign com-
16 merce usual in the handling of the commodity or product
17 whereby they, or either of them, are sent from one State
18 to end their transit, after purchase, in another, including all
19 cases where purchase or sale is either for shipment to another
20 State or for the processing within the State and the shipment
21 outside the State of the products so processed.

22 (e) The term "affect interstate and foreign commerce"
23 means, among other things, in such commerce, or to burden
24 or obstruct such commerce or the free and orderly flow
25 thereof; or to create or tend to create a surplus of any agri-

1 cultural commodity which burdens or obstructs such com-
2 merce or the free and orderly flow thereof.

3 (f) The term "United States" means the several States,
4 the District of Columbia, and, with respect to any commodity,
5 any Territory or possession of the United States which the
6 Secretary determines should be included to permit the effec-
7 tive operation of any program authorized by this Act.

8 (g) The term "State" includes any State, the District
9 of Columbia, and any Territory or possession which the
10 Secretary includes within the term "United States".

11 (h) The term "Secretary" means the Secretary of
12 Agriculture, and the term "Department" means the Depart-
13 ment of Agriculture.

14 (i) The term "person" means an individual, partner-
15 ship, firm, joint-stock company, corporation, association,
16 trust, estate, or any agency of a State.

17 (j) The term "farm" means the land constituting a
18 farming unit as determined by the Secretary, taking into
19 consideration the use of common-work stock, equipment,
20 labor, management, and other pertinent factors.

21 (k) The term "agricultural commodity", except as
22 otherwise provided in this Act, means any such commodity
23 or any regional or market classification, type, or grade
24 thereof.

25 (l) The term "peanuts" means all peanuts produced,

1 excluding any peanuts which it is established by the producer
2 or otherwise, in accordance with regulations of the Secre-
3 tary, were not picked or threshed either before or after
4 marketing from the farm.

5 (m) The term "tobacco" means each of the kinds of
6 tobacco listed below comprising the types specified as classi-
7 fied in Service and Regulatory Announcement Numbered
8 118 of the Bureau of Agricultural Economics of the
9 Department:

10 Flue-cured tobacco, comprising types 11, 12, 13,
11 and 14;

12 Fire-cured tobacco, comprising types 21, 22, 23,
13 and 24;

14 Dark air-cured tobacco, comprising types 35 and 36;

15 Virginia sun-cured tobacco, comprising type 37;

16 Burley tobacco, comprising type 31;

17 Maryland tobacco, comprising type 32;

18 Cigar-filler tobacco, comprising types 41, 42, 43,
19 and 44;

20 Puerto Rican cigar-filler tobacco, comprising type
21 46;

22 Cigar-binder tobacco, comprising types 51, 52, 53,
23 54, and 55.

24 The provisions of this Act shall apply to each of such kinds
25 of tobacco severally: *Provided*, That any one or more of the

1 types comprising any such kind of tobacco shall be treated
2 as a "kind of tobacco" for the purposes of this Act if the
3 Secretary finds there is a difference in supply and demand
4 conditions as among such types of tobacco which results in
5 a difference in the adjustments needed in the marketings
6 thereof in order to maintain supplies in line with demand
7 during any marketing year.

8 (n) The term "marketing year" means, in the case of
9 the following commodities, the period beginning on the first
10 and ending with the second date, specified below:

11 Corn, October 1–September 30;

12 Cotton, August 1–July 31;

13 Peanuts, August 1–July 31;

14 Rice, August 1–July 31;

15 Tobacco (flue-cured), July 1–June 30;

16 Tobacco (Puerto Rican cigar-filler), January 1–
17 December 31;

18 Tobacco (other than flue-cured and Puerto Rican
19 cigar-filler), October 1–September 30;

20 Wheat, July 1–June 30.

21 "Marketing year" for any other agricultural commodity
22 means any period determined by the Secretary during which
23 substantially all of a crop or production of such commodity
24 is normally marketed by the producers thereof.

TITLE II—PRICE SUPPORT

1 SEC. 201. (a) The Secretary, through the Commodity
2 Credit Corporation and other means available to him, is
3 authorized to support prices of agricultural commodities to
4 producers through loans, purchases, production payments,
5 and other operations. Except as otherwise provided in this
6 section, the type, amounts, terms, and conditions of such
7 price support operations, and the extent to which such opera-
8 tions are carried out, shall, in the case of operations carried
9 out by Commodity Credit Corporation, be determined by
10 the Corporation with the approval and subject to the direc-
11 tion of the Secretary, and, in the case of operations carried
12 out by other means, be determined by the Secretary. Com-
13 pliance by the producer with acreage allotments, produc-
14 tion goals, marketing practices, including marketing quotas,
15 and conservation and good land use practices as prescribed
16 by the Secretary, may be required as a condition of eligi-
17 bility for price support. The Secretary may, in lieu of deny-
18 ing price support to a producer who has not complied with
19 such conditions, provide for price support at reduced rates to
20 such producers. The Secretary shall in all cases give con-
21 sideration to the practicability of supporting prices indirectly,
22 as by the development of improved merchandising methods.
23 (b) Price support shall be made available to the pro-
24 ducers of corn, cotton, wheat, tobacco, whole milk, chicken
25

1 eggs, farm chickens, hogs, beef cattle, and lambs, at levels
2 equal to the price-support standard for each of such com-
3 modities as of the beginning of the marketing year or
4 season, in the case of those commodities marketed on a
5 marketing year or seasonal basis, and as of January 1,
6 in the case of commodities not so marketed (the price-sup-
7 port standard as of July 1 may be used for the last six
8 months of the year, in the latter case, if the Secretary so
9 determines). If acreage allotments or marketing quotas
10 are in effect, the price-support level for corn for producers
11 outside the commercial corn-producing area shall be 75
12 per centum of the level at which the price of corn is sup-
13 ported in the commercial corn-producing area. Notwith-
14 standing the foregoing provisions of this section, if the Sec-
15 retary determines that the price-support standard for whole
16 milk, chicken eggs, farm chickens, hogs, beef cattle, or
17 lambs, is too high in relation to prices and price-support
18 levels of feed commodities to permit the maintenance of
19 desirable feed ratios, the prices at which such commodities
20 are to be supported may be reduced by not more than 15
21 per centum to levels which the Secretary determines will
22 reflect desirable feed ratios.

23 (c) Price support shall be made available to producers
24 of agricultural commodities other than those specified in
25 subsection (b) of this section at such levels and to such

1 extent as the Secretary determines will result in fair and
2 equitable treatment of such producers, taking into account
3 the following factors: (1) The supply of the commodity
4 in relation to the demand therefor; (2) the price levels
5 at which other commodities are being supported, includ-
6 ing the feeding values of other grains in relation to corn;
7 (3) the availability of funds after provision is made for
8 operations with respect to commodities specified in subsec-
9 tion (b) of this section; (4) the perishability of the com-
10 modity; (5) its importance to agriculture and the national
11 economy; (6) the ability to dispose of stocks acquired
12 through a price-support operation; (7) the need for off-
13 setting temporary losses of export markets; and (8) the
14 ability and willingness of producers to keep supplies in line
15 with demand. The levels of such price support shall not
16 exceed the price-support standards for the respective agri-
17 cultural commodities as of the beginning of the marketing
18 year or season, in the case of those commodities marketed
19 on a marketing year or seasonal basis, and as of January
20 1, in the case of commodities not so marketed (the price-
21 support standard as of July 1 may be used for the last
22 six months of the year, in the latter case, if the Secretary
23 so determines).

24 (d) Notwithstanding any other provision of this title,

1 price support for any agricultural commodity at a level in
2 excess of the price support standard for such commodity
3 may be undertaken whenever it is determined by the Sec-
4 retary, and public notice given thereof, that price support
5 at such increased level is necessary in order to increase
6 or maintain the production of such commodity in the national
7 interest.

8 SEC. 202. Nothing in this title shall prevent the an-
9 nouncement of the level of price support for any agricultural
10 commodity in advance of the beginning of the marketing
11 year or season (January 1 or July 1 in the case of com-
12 modities not marketed on a marketing year or season
13 basis) if the level of price support so announced does not
14 exceed the estimated price-support standard, based upon
15 the latest information and statistics available to the Sec-
16 retary when such level of price support is announced, and
17 the level of price support so announced shall not be re-
18 duced if the price-support standard, when determined, is
19 less than the level so announced.

20 SEC. 203. Appropriate adjustments may be made in
21 the support price for any commodity for differences in grade,
22 type, location, and other factors. Such adjustments shall
23 be made in such manner that the average support price
24 for the commodity in each marketing year or season will,

1 on the basis of the anticipated incidence of such factors,
2 be equal to the level determined as provided in this title
3 for such marketing year or season.

4 SEC. 204. If the price of any agricultural commodity
5 is supported by production payments, the Secretary may
6 determine the rate or rates of payment annually, or period-
7 ically, on the basis of the amount by which the estimated
8 average price to producers of the commodity nationally, or
9 in such areas as the Secretary may determine, for the
10 period to which the rate relates is less than the level of
11 price support therefor; and such rate or rates may be
12 adjusted by the Secretary for differences in grade, type,
13 location, and other factors, if he determines that such ad-
14 justments are practicable and essential to the effective op-
15 eration of the price-support program for such commodity.
16 Production payments shall so far as practicable be limited
17 to the quantities of the commodity marketed by the pro-
18 ducer. Production payments need not be made with respect
19 to any commodity if the Secretary determines that the
20 total amount of production payments which would be made
21 to the producers of the commodity is too small to justify
22 the administrative cost of making such payments.

23 SEC. 205. If producers have disapproved marketing
24 quotas with respect to any agricultural commodity in a
25 referendum held with respect to such quotas, (i) in the

1 case of any commodity produced on a crop year or seasonal
2 basis, no price-support operations shall be undertaken with
3 respect to the crop or crops of the commodity to which the
4 marketing quotas would have been applicable; (ii) in the
5 case of any commodity not produced on a crop year or
6 seasonal basis, no price-support operations shall be under-
7 taken with respect to any quantity of the commodity
8 marketed during the period that the marketing quotas would
9 have been in effect: *Provided*, That this provision shall not
10 preclude price-support operations with respect to more than
11 one marketing year, or calendar year, because of the dis-
12 approval of marketing quotas at any one referendum. The
13 Secretary may also prescribe, as a condition to undertaking
14 price-support operations for any agricultural commodity,
15 that appropriate marketing orders under the Agricultural
16 Marketing Agreement Act of 1937, as amended, be in effect
17 for the commodity in applicable regional production or
18 marketing areas prescribed by the Secretary.

19 SEC. 206. No producer shall be personally liable for
20 any deficiency arising from the sale of the collateral securing
21 any loan made under authority of this title unless such loan
22 was obtained through fraudulent representations by the pro-
23 ducer. This provision shall not, however, be construed to
24 prevent Commodity Credit Corporation or the Secretary from
25 requiring producers to assume liability for deficiencies in

1 the grade, quality, or quantity of commodities stored on the
2 farm or delivered by them, for failure properly to care for
3 and preserve commodities, or for failure or refusal to deliver
4 commodities in accordance with the requirements of the
5 program.

6 SEC. 207. The Commodity Credit Corporation shall not
7 sell any farm commodity owned or controlled by it at less
8 than the current price support level for such commodity,
9 except that the foregoing restrictions shall not apply to
10 (A) sales for new or byproduct uses; (B) sales of peanuts
11 for the extraction of oil; (C) sales for seed or feed if such
12 sales will not substantially impair any price-support pro-
13 gram; (D) sales of commodities which have substantially
14 deteriorated in quality or of commodities where there is
15 danger of loss or waste through spoilage; (E) sales for the
16 purpose of establishing claims against persons who have
17 committed fraud, misrepresentation, or other wrongful acts
18 with respect to the commodity; (F) sales for export; (G)
19 sales of wool; and (H) sales for other than primary uses.

20 SEC. 208. The Secretary, in carrying out programs with
21 respect to any agricultural commodities under section 32 of
22 the Public Law Numbered 320, Seventy-fourth Congress,
23 approved August 24, 1935, as amended, and section 6 of
24 the National School Lunch Act, may utilize the services and
25 facilities of the Commodity Credit Corporation (including

1 but not limited to procurement by contract) and make
2 advance payments to it.

3 SEC. 209. A maximum of one thousand eight hundred
4 comparative units of agricultural commodities per farm
5 shall receive price support in any one calendar year: *Pro-*
6 *vided*, That if the production on such farm of agricultural
7 commodities, with respect to which farm marketing quotas
8 have been approved by producers for the marketing year or
9 season commencing in such calendar year exceeds one
10 thousand eight hundred comparative units, the producer,
11 if he is otherwise eligible for price support, shall receive price
12 support on the entire production of such commodities but
13 no other commodities produced on such farm during such
14 calendar year shall receive price support, except that such
15 producer may obtain price support on not in excess of one
16 thousand eight hundred comparative units of such other
17 agricultural commodities in lieu of obtaining price support on
18 an equivalent quantity of the commodities for which farm
19 marketing quotas have been approved by producers. For
20 the purpose of this provision, a "comparative unit" of corn
21 shall be ten bushels and for other agricultural commodities
22 it shall be that quantity of the commodity the value of which
23 at the price-support standard equals the value of ten bushels
24 of corn at the price-support standard.

1 SEC. 210. This title shall become effective January 1,
2 1950, but no provision herein shall affect price-support opera-
3 tions with respect to any agricultural commodity the market-
4 ing year or season for which commences prior to January
5 1, 1950.

6 TITLE III—MARKETING QUOTAS

7 DEFINITIONS

8 SEC. 301. For purposes of this title—

9 (a) “Total supply” of any agricultural commodity for
10 any marketing year shall be the carry-over at the beginning
11 of such marketing year, plus the estimated production of
12 the commodity in the United States during the calendar
13 year in which such marketing year begins and, except for
14 tobacco, the estimated imports of the commodity into the
15 United States during such marketing year.

16 (b) (1) “Carry-over” of any agricultural commodity,
17 except tobacco, for any marketing year shall be the quan-
18 tity of the commodity on hand in the United States at the
19 beginning of such marketing year, not including any part
20 of the crop or production of such commodity which was pro-
21 duced in the United States during the calendar year then
22 current. The carry-over of any agricultural commodity in-
23 cluded in part VII of this title may also include the quan-
24 tity of such commodity in processed form on hand in the
25 United States at the beginning of such marketing year, if

1 the Secretary determines that the inclusion of such processed
2 quantity of the commodity is necessary to effectuate the pur-
3 poses of the Act.

4 (2) "Carry-over" of tobacco for any marketing year
5 shall be the quantity of such tobacco on hand in the United
6 States at the beginning of such marketing year, which was
7 produced in the United States prior to the beginning of the
8 calendar year then current.

9 (c) (1) "Normal supply" of any agricultural com-
10 modity, except tobacco, for any marketing year shall be
11 (i) the estimated domestic consumption of the commodity
12 for the marketing year for which such normal supply is
13 being determined, plus (ii) the estimated exports of the
14 commodity for such marketing year, plus (iii) an allowance
15 for carry-over. The allowance for carry-over shall be the
16 following percentage of the sum of the consumption and
17 exports used in computing normal supply: fifteen per centum
18 in the case of corn; 30 per centum in the case of cotton;
19 5 per centum in the case of rice; 20 per centum in the case
20 of wheat; and the allowance for carry-over for any other
21 commodity except tobacco shall be the average carry-over
22 of the commodity for the five marketing years immediately
23 preceding the marketing year in which such normal supply
24 is determined, adjusted for surpluses or deficiencies caused
25 by abnormal conditions, changes in marketing conditions,

1 or the operation of any agricultural program. In deter-
2 mining normal supply, the Secretary shall make such adjust-
3 ments for current trends in consumption and for unusual
4 conditions as he may deem necessary.

5 (2) "Normal supply" in the case of tobacco shall be
6 (i) a normal year's domestic consumption and exports plus
7 175 per centum of a normal year's domestic consumption
8 and 65 per centum of a normal year's exports as an allow-
9 ance for carry-over, plus (ii) 5 per centum thereof.

10 (d) "Normal year's domestic consumption" in the case
11 of tobacco shall be the yearly average quantity of the com-
12 modity produced in the United States that was consumed
13 in the United States during the ten marketing years immedi-
14 ately preceding the marketing year in which such con-
15 sumption is determined, adjusted for current trends in such
16 consumption and for unusual conditions.

17 (e) "Normal year's exports" in the case of tobacco shall
18 be the yearly average quantity of the commodity produced
19 in the United States that was exported from the United
20 States during the ten marketing years immediately preceding
21 the marketing year in which such exports are determined,
22 adjusted for current trends in such exports and for unusual
23 conditions.

24 (f) "Normal yield" for any farm in the case of any
25 agricultural commodity shall be the average yield per acre

1 of such commodity for the farm, adjusted for abnormal con-
2 ditions affecting yields, during the five calendar years im-
3 mediately preceding the year in which such yield is deter-
4 mined. If for any such year the data are not available
5 or there is no actual yield, or if the normal yield determined
6 for a farm is not representative of the difference in pro-
7 ductivity of several fields, then the normal yield for the farm
8 may be appraised in accordance with regulations of the Sec-
9 retary, taking into consideration abnormal conditions affect-
10 ing yields, the normal yield for the farm in previous years,
11 the yield per acre for the farm in years for which such data
12 are available, and the normal yield established for other
13 similar farms. Where production units other than acres
14 are involved, the terms "production unit" and "production"
15 shall have the same meaning as the terms "acre" and "yield",
16 respectively.

17 (g) (1) "Market", in the case of any agricultural
18 commodity, means to dispose of, in raw or processed form,
19 by voluntary or involuntary sale, barter, exchange, or gift
20 inter vivos, or by feeding (in any form) to livestock or
21 poultry which, or the products of which, are sold, bartered,
22 transferred by gift, exchanged, or to be so disposed of.

23 (2) "Marketed", "marketing", and "for market" shall
24 have corresponding meanings to the term "market" in the
25 connection in which they are used.

1 (h) "Normal production" as applied to any number of
2 acres or other production units of any agricultural commodity
3 means the normal yield per acre or other production unit
4 for the farm multiplied by such number of acres or other
5 production units.

6 (i) "Actual production" of any number of acres or
7 other production units of any agricultural commodity means
8 the actual average yield per acre or other production unit
9 for the farm multiplied by such number of acres or produc-
10 tion units.

11 PART I—TOBACCO MARKETING QUOTAS

12 NATIONAL MARKETING QUOTA

13 SEC. 311. Whenever in any calendar year the Secre-
14 tary determines that the total supply of tobacco for the
15 marketing year beginning in such calendar year will exceed
16 the normal supply for such marketing year, the Secretary
17 shall proclaim such fact and shall proclaim a national market-
18 ing quota which shall be in effect for the crop of tobacco
19 produced in the next calendar year: *Provided*, That the
20 Secretary shall proclaim a national marketing quota for each
21 crop of tobacco for which a national marketing quota was
22 proclaimed for the immediately preceding crop, and shall
23 proclaim a national marketing quota for each crop of Vir-
24 ginia sun-cured tobacco for which a national marketing quota
25 is proclaimed for fire-cured tobacco, and such national market-

ing quota shall be in effect for the crop of tobacco for which proclaimed. Any national marketing quota proclaimed under this section shall be subject to a referendum held pursuant to section 391. The Secretary shall also determine and specify in any such proclamation the amount of the national marketing quota in terms of the quantity of tobacco required, together with the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, to make available a normal supply of tobacco. The proclamation shall be made not later than December 1 (July 1 for Puerto Rican cigar-filler tobacco) of the calendar year in which the determination is made. The amount of the national marketing quota so proclaimed may be increased, not later than the following March 1 (October 1 for Puerto Rican cigar-filler tobacco), by not more than 20 per centum if the Secretary determines that such increase is necessary in order to meet market demands, or to avoid undue restriction of marketings in adjusting the total supply to the normal supply.

QUOTAS AND ACREAGE ALLOTMENTS

SEC. 312. (a) The national marketing quota for tobacco established pursuant to the provisions of section 311, less the amount to be allotted under subsection (c) of this section, shall be apportioned among States on the basis of the production of tobacco in each State during the five calendar years immediately preceding the calen-

1 dar year in which the quota is proclaimed, with such
2 adjustments as are deemed necessary for abnormal condi-
3 tions affecting production, and for trends in production:
4 *Provided*, That the Secretary may, if a national market-
5 ing quota is in effect for a crop of tobacco, apportion the
6 national marketing quota for the next crop, less the amount
7 to be allotted under subsection (c) of this section, direct
8 to farms pursuant to subsections (b) and (c) of this
9 section.

10 (b) If the national marketing quota is apportioned among
11 States pursuant to subsection (a) of this section, the Sec-
12 retary shall provide for the apportionment of the State
13 marketing quota for any State among farms on which
14 tobacco has been produced in any one of the five calendar
15 years immediately preceding the year for which such
16 apportionment is made on the basis of the following: Past
17 marketings and production of tobacco, taking into consid-
18 eration the marketing quotas previously established for
19 the farm; abnormal conditions affecting production; land,
20 labor, and equipment available for the production of tobacco;
21 crop-rotation practices; and soil and other physical factors
22 affecting the production of tobacco.

23 (c) The Secretary shall provide for the apportionment
24 of not in excess of 5 per centum of the national marketing
25 quota (1) among farms on which tobacco is to be produced

1 as a part of the crop for which the national marketing quota
2 is effective but on which tobacco was not produced in any
3 one of the past five years, and (2) for increases of allot-
4 ments to small farms, on the basis of the following: Land,
5 labor, and equipment available for the production of tobacco;
6 crop-rotation practices; soil and other physical factors affect-
7 ing the production of tobacco; and, in the case of farms
8 covered under (1) of this subsection, past tobacco-producing
9 experience of the farm operator: *Provided*, That farm mar-
10 keting quotas established pursuant to this subsection for farms
11 covered under (1) of this subsection shall not exceed 75
12 per centum of the farm marketing quotas established pur-
13 suant to subsection (b) of this section for farms which are
14 similar with respect to the following: Land, labor, and
15 equipment available for the production of tobacco; crop-
16 rotation practices; and soil and other physical factors affect-
17 ing the production of tobacco.

18 (d) Notwithstanding any other provisions of this sec-
19 tion, the Secretary may convert the national or State market-
20 ing quota into an acreage allotment on the basis of the
21 national average yield or State average yield, as the case
22 may be, of tobacco per acre in the five calendar years im-
23 mediately preceding the year in which the national market-
24 ing quota is proclaimed, with such adjustments as are deemed

1 necessary for abnormal conditions affecting yields and for
2 trends in yield, and allot the same among farms on the
3 basis of the factors set forth in subsection (b) of this section,
4 using past acreage in lieu of past marketings of tobacco and
5 the acreage allotments in lieu of the marketing quotas previously established for the farm: *Provided*, That the burley
6 acreage allotment for any old farm operated by a person who
7 does not own, operate, or control another farm having a
8 burley tobacco acreage allotment shall not be less than nine-
9 tenths of an acre, the average allotment last established for
10 the farm, or 25 per centum of the cropland, whichever is the
11 smallest, and the acreage required for such additional apportionment shall be in addition to the national and State acreage allotments. The Secretary, on the basis of such national
12 acreage yield of tobacco, may also convert into an acreage
13 allotment the amount reserved from the national marketing
14 quota pursuant to the provisions of subsection (c) of this
15 section and, on the basis of the factors set forth in that
16 subsection, apportion the same among farms on which no
17 tobacco was produced during the past five years, and among
18 small farms.

19 (e) If any amount of tobacco shall be marketed as
20 having been produced on the acreage allotment or within
21 the marketing quota for any farm which in fact was produced on a different farm, the acreage allotment or market-

1 ing quota next established for each such farm shall be
2 reduced by that percentage which such amount was of
3 the respective farm marketing quota. If proof of the dis-
4 position of any amount of tobacco is not furnished as required
5 by the Secretary, the acreage allotment or marketing quota
6 next established for the farm on which such tobacco is pro-
7 duced shall be reduced by a percentage similarly computed.
8 Such reduction for any such farm shall not be made if the
9 Secretary through the local committee finds that no person
10 connected with such farm caused, aided, or acquiesced in
11 such marketing or failure to furnish proof of disposition of
12 tobacco.

13 FARM MARKETING QUOTAS

14 SEC. 313. The farm marketing quota for any crop of
15 tobacco shall be (1) the actual production of the farm
16 acreage allotment or of the acreage of tobacco harvested,
17 whichever is the smaller, or (2) the number of pounds
18 of tobacco established as the farm marketing quota under
19 subsections (b) and (c) of section 312.

20 PENALTIES

21 SEC. 314. Whenever farm marketing quotas are in
22 effect for any crop of tobacco, the marketing of tobacco
23 in excess of the marketing quota for the farm shall be
24 subject to a penalty at a rate per unit equal to 50 per
25 centum of the price-support standard per unit for such

1 tobacco as of the beginning of the second month prior to the
2 beginning of the marketing year for such tobacco.

3 PART II—COTTON MARKETING QUOTAS

4 NATIONAL MARKETING QUOTA

5 SEC. 321. Whenever in any calendar year the Secretary
6 determines that the total supply of cotton for the marketing
7 year beginning in such calendar year will exceed the normal
8 supply for such marketing year by more than 8 per centum,
9 the Secretary shall proclaim such fact and shall proclaim
10 a national marketing quota which shall be in effect for the
11 crop of cotton produced in the next calendar year. Any
12 national marketing quota proclaimed under this section shall
13 be subject to a referendum held pursuant to section 391.
14 The Secretary shall also determine and specify in such
15 proclamation the amount of the national marketing quota
16 in terms of the number of bales of cotton (standard bales
17 of five hundred pounds, gross weight) required, together
18 with (1) the estimated carry-over at the beginning of the
19 marketing year which begins in the next calendar year and
20 (2) the estimated imports during such marketing year, to
21 make available a normal supply of cotton. The proclamation
22 shall be made not later than November 15 of the calendar
23 year in which the determination is made.

ACREAGE ALLOTMENTS

1
2 SEC. 322. (a) Whenever a national marketing quota is
3 proclaimed under section 321, the Secretary shall determine
4 and proclaim a national acreage allotment for the crop of
5 cotton to be produced in the next calendar year. The na-
6 tional acreage allotment for cotton shall be that acreage,
7 based on the national average yield per acre of cotton in
8 the five calendar years immediately preceding the calendar
9 year in which the national marketing quota is proclaimed,
10 with such adjustments as are deemed necessary for abnormal
11 conditions affecting yields and for trends in yield, required
12 to make available from such crop an amount of cotton equal
13 to such quota.

14 (b) The national acreage allotment for cotton, less that
15 acreage set aside for apportionment under subsection (e)
16 of this section, shall be apportioned among States on the
17 basis of the acreage planted to cotton in the five calendar
18 years immediately preceding the calendar year in which
19 the national marketing quota is proclaimed, with such
20 adjustments as are deemed necessary for abnormal condi-
21 tions affecting acreage, for trends in acreage, and for small
22 farms.

23 (c) The State acreage allotment for cotton shall be

1 apporportioned among counties on the basis of the acreage
2 planted to cotton in the five calendar years immediately
3 preceding the calendar year in which the national market-
4 ing quota is proclaimed, with such adjustments as are
5 deemed necessary for abnormal conditions affecting acreage,
6 for trends in acreage, and for small farms.

7 (d) The county acreage allotment shall be apporportioned
8 among farms on which cotton has been planted in any one
9 of the three calendar years immediately preceding the year
10 for which such allotment is determined, on the basis of the
11 acreage planted to cotton on the farm in such three-year
12 period, taking into consideration the acreage allotments
13 established for the farm during such period; abnormal con-
14 ditions affecting acreage; land, labor, and equipment avail-
15 able for the production of cotton; crop-rotation practices;
16 soil and other physical factors affecting the production of
17 cotton; and the acreage needs of small farms.

18 (e) Not to exceed 3 per centum of the national acreage
19 allotment shall be apporportioned among farms on which cotton
20 is to be planted in the calendar year for which the allotment
21 is made but on which cotton was not planted in any one of
22 the past three years, on the basis of the following: Land,
23 labor, and equipment available for the production of cotton;
24 crop-rotation practices; and soil and other physical factors
25 affecting the production of cotton.

1 (f) Notwithstanding the foregoing provisions of this
2 section—

3 (1) for the 1950 and 1951 crops, the national
4 acreage allotment for cotton, less that acreage set aside
5 for apportionment under subsection (e) of this section,
6 shall be apportioned among States on the basis of the
7 acreage planted to cotton in the calendar years 1945,
8 1946, 1947, and 1948, with such adjustments as are
9 deemed necessary for abnormal conditions affecting acre-
10 age, for trends in acreage, and for small farms;

11 (2) for the 1950 and 1951 crops, the State acreage
12 allotment for cotton shall be apportioned among counties
13 on the basis of the acreage planted to cotton in the cal-
14 endar years 1945, 1946, 1947, and 1948, with such
15 adjustments as are deemed necessary for abnormal con-
16 ditions affecting acreage, for trends in acreage, and for
17 small farms;

18 (3) State, county, and farm acreage allotments
19 and yields for cotton shall be established without regard
20 to the acreage planted to cotton or to yields in 1949, and
21 in establishing such allotments and yields for other than
22 the 1950 and 1951 crops the period of years required to
23 be used shall be selected, where 1949 is within any such
24 period, by substituting for 1949 the year immediately
25 preceding the period which would otherwise be used;

1 (4) acreage allotments for cotton shall be estab-
2 lished in conformity with Public Law 12, Seventy-
3 ninth Congress.

4 FARM MARKETING QUOTAS

5 SEC. 323. The farm marketing quota for any crop of
6 cotton shall be the actual production of cotton on the farm
7 less the normal production of the acreage planted to cotton
8 on the farm in excess of the farm acreage allotment. The
9 normal production from such excess acreage shall be known
10 as the "farm marketing excess": *Provided*, That the farm
11 marketing excess shall not be larger than the amount by
12 which the actual production of cotton on the farm exceeds
13 the normal production of the farm acreage allotment, if the
14 producer establishes such actual production to the satisfac-
15 tion of the Secretary.

16 PENALTIES

17 SEC. 324. Whenever farm marketing quotas are in effect
18 with respect to any crop of cotton, the farm marketing
19 excess of such crop shall be subject to a penalty at a rate
20 per unit equal to 50 per centum of the price support standard
21 per unit for cotton as of June 1 of the calendar year in
22 which such crop is produced.

23 EXEMPTION OF LONG STAPLE COTTON

24 SEC. 325. The provisions of this part shall not apply to
25 cotton the staple of which is one and one-half inches or more

1 in length or to cotton produced from seed of a pure strain
2 of a variety of cotton which the Secretary determines nor-
3 mally produces cotton the staple of which is one and one-half
4 inches or more in length.

5 PART III—CORN MARKETING QUOTAS

6 NATIONAL MARKETING QUOTA

7 SEC. 331. Whenever in any calendar year the Secre-
8 tary determines that the total supply of corn for the market-
9 ing year beginning in such calendar year will exceed the
10 normal supply for such marketing year by more than 10
11 per centum, the Secretary shall proclaim such fact and shall
12 proclaim a national marketing quota which shall be in effect
13 in the commercial corn-producing area for the crop of corn
14 produced in such area in the next calendar year. Any
15 national marketing quota proclaimed under this section shall
16 be subject to a referendum held pursuant to section 391.
17 The Secretary shall also determine and specify in such proc-
18 lamation the amount of the national marketing quota in
19 terms of the quantity of corn required, together with (1)
20 the estimated carry-over at the beginning of the marketing
21 year which begins in the next calendar year, (2) the esti-
22 mated imports during such marketing year, and (3) the
23 estimated production of corn in the United States outside
24 the commercial corn-producing area during the next cal-

1 endar year, to make available a normal supply of corn.
2 The proclamation shall be made not later than November
3 15 of the calendar year in which the determination is made.

4 COMMERCIAL CORN-PRODUCING AREA

5 SEC. 332. Whenever the Secretary proclaims a national
6 marketing quota under section 331, he shall also proclaim
7 the commercial corn-producing area. Such area shall
8 include all counties in which the average production of corn
9 (excluding corn used as silage) during a representative
10 period of not more than five calendar years, as determined
11 by the Secretary, immediately preceding the calendar year
12 in which such area is determined, after adjustments for
13 abnormal conditions affecting acreage and yield, is four
14 hundred and fifty bushels or more per farm and four bushels
15 or more for each acre of farm land in the county: *Provided,*
16 That if the Secretary, after such investigation as he deems
17 necessary, finds that any county bordering on such area, or
18 any minor civil division in any such county, is likely to
19 produce corn (excluding corn used as silage) in the stated
20 average amounts during the next calendar year, such county
21 shall also be included in the commercial corn-producing
22 area.

23 ACREAGE ALLOTMENTS

24 SEC. 333. (a) Whenever a national marketing quota
25 is proclaimed under section 331, the Secretary shall deter-

1 mine and proclaim a national acreage allotment for the
2 crop of corn to be produced in the next calendar year in
3 the commercial corn-producing area. The national acre-
4 age allotment for corn shall be that acreage, based on the
5 national average yield per acre of corn for the five calendar
6 years immediately preceding the calendar year in which
7 the national marketing quota is proclaimed, with such adjust-
8 ments as are deemed necessary for abnormal conditions
9 affecting yields and for trends in yield, required to make
10 available from such crop an amount of corn equal to such
11 quota.

12 (b) The national acreage allotment for corn shall be
13 apportioned among States with counties in the commercial
14 corn-producing area and the State acreage allotments, less
15 the acreage set aside for apportionment under subsection (c)
16 of this section, shall be apportioned among counties in the
17 commercial corn-producing area on the basis of the acreage
18 planted to corn therein in the five calendar years immedi-
19 ately preceding the calendar year in which the national mar-
20 keting quota is proclaimed, with such adjustments as are
21 deemed necessary for abnormal conditions affecting acreage
22 and for trends in acreage, and the acreage allotments previ-
23 ously established for the State or county.

24 (c) The county acreage allotment shall be apportioned
25 among farms on which corn has been planted in any one

1 of the three calendar years immediately preceding the year
2 for which such apportionment is made, on the basis of past
3 acreage of corn, taking into consideration the acreage allot-
4 ments previously established for the farm; abnormal condi-
5 tions affecting acreage; land, labor, and equipment avail-
6 able for the production of corn; crop-rotation practices; and
7 soil and other physical factors affecting the production of
8 corn. Not more than 3 per centum of the State acreage
9 allotment shall be apportioned among farms in the commer-
10 cial area of the State on which corn is to be planted in the
11 calendar year for which the allotment is made but on which
12 corn was not planted during the past three years, on the
13 basis of the applicable apportionment factors set forth herein.

14 FARM MARKETING QUOTAS

15 SEC. 334. (a) The farm marketing quota for any crop
16 of corn shall be the actual production of corn on the farm less
17 the normal production of the acreage planted to corn on the
18 farm in excess of the farm acreage allotment. The normal
19 production from such excess acreage shall be known as the
20 "farm marketing excess": *Provided*, That the farm marketing
21 excess shall not be larger than the amount by which the
22 actual production of corn on the farm exceeds the normal
23 production of the farm acreage allotment, if the producer
24 establishes such actual production to the satisfaction of the
25 Secretary.

1 (b) No farm marketing quota shall be applicable to
2 any crop of corn on any farm on which the acreage planted
3 to such crop is not in excess of fifteen acres.

4 PENALTIES

5 SEC. 335. Whenever farm marketing quotas are in effect
6 with respect to any crop of corn, the farm marketing excess
7 of such crop shall be subject to a penalty at a rate per unit
8 equal to 50 per centum of the price-support standard per
9 unit for corn as of August 1 of the calendar year in which
10 such crop is produced.

11 PART IV—WHEAT MARKETING QUOTAS

12 NATIONAL MARKETING QUOTA

13 SEC. 341. Whenever in any calendar year the Secretary
14 determines that the total supply of wheat for the market-
15 ing year beginning in such calendar year will exceed the
16 normal supply for such marketing year by more than 15
17 per centum, the Secretary shall proclaim such fact and
18 shall proclaim a national marketing quota which shall be
19 in effect for the crop of wheat seeded for harvest in the
20 next calendar year. Any national marketing quota pro-
21 claimed under this section shall be subject to a referendum
22 held pursuant to section 391. The Secretary shall also
23 determine and specify in such proclamation the amount
24 of the national marketing quota in terms of the quantity
25 of wheat required, together with (1) the estimated carry-

1 over at the beginning of the marketing year which begins
2 in the next calendar year and (2) the estimated imports
3 during such marketing year, to make available a normal
4 supply of wheat. The proclamation shall be made not later
5 than July 1 of the calendar year in which the determina-
6 tion is made.

ACREAGE ALLOTMENTS

8 SEC. 342. (a) Whenever a national marketing quota
9 is proclaimed under section 341, the Secretary shall deter-
10 mine and proclaim a national acreage allotment for the crop
11 of wheat seeded for harvest in the next calendar year.
12 The national acreage allotment for wheat shall be that
13 acreage, based on the national average yield per acre of
14 wheat seeded for harvest in the five calendar years imme-
15 diately preceding the calendar year in which the national
16 marketing quota is proclaimed, with such adjustments as
17 are deemed necessary for abnormal conditions affecting
18 yields and for trends in yield, required to make available
19 from such a crop an amount of wheat equal to such quota.

(b) The national acreage allotment for wheat shall be apportioned among States and the State acreage allotments, less the acreage set aside for apportionment to new farms under subsection (c) of this section, shall be apportioned among counties on the basis of the acreage of wheat seeded

1 for harvest in the five calendar years immediately preceding
2 the calendar year in which the national marketing quota is
3 proclaimed, with such adjustments as are deemed necessary
4 for abnormal conditions affecting acreage and for trends in
5 acreage, and the acreage allotments previously established
6 for the State or county.

7 (c) The county acreage allotment shall be apportioned
8 among farms on which wheat has been seeded for harvest
9 in any one of the three calendar years immediately preceding
10 the year for which such apportionment is made, on the basis
11 of past acreage of wheat, taking into consideration the acre-
12 age allotments previously established for the farm; abnormal
13 conditions affecting acreage; land, labor, and equipment avail-
14 able for the production of wheat; crop-rotation practices; and
15 soil and other physical factors affecting the production of
16 wheat. Not more than 3 per centum of the State acreage
17 allotment shall be apportioned to farms in the State on which
18 wheat is to be seeded for harvest in the next calendar year
19 but on which wheat was not so seeded during the past three
20 years, on the basis of the applicable apportionment factors
21 set forth herein.

22 (d) Notwithstanding the foregoing provisions of this
23 section, acreage allotments shall be established in conformity
24 with Public Law 12, Seventy-ninth Congress.

FARM MARKETING QUOTAS

SEC. 343. (a) The farm marketing quota for any crop of wheat shall be the actual production of wheat on the farm less the normal production of the acreage seeded to wheat on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the "farm marketing excess": *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of wheat on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

(b) No farm marketing quota shall be applicable to any crop of wheat on any farm on which the acreage seeded to such crop is not in excess of fifteen acres.

PENALTIES

SEC. 344. Whenever farm marketing quotas are in effect with respect to any crop of wheat, the farm marketing excess of such crop shall be subject to a penalty at a rate per unit equal to 50 per centum of the price support standard per unit for wheat as of May 1 of the calendar year in which such crop is produced.

PART V—RICE MARKETING QUOTAS

NATIONAL MARKETING QUOTA

SEC. 351. Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and shall proclaim a national marketing quota which shall be in effect for the crop of rice produced in the next calendar year. Any national marketing quota proclaimed under this section shall be subject to a referendum held pursuant to section 391. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of rice required, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of rice. The proclamation shall be made not later than November 15 of the calendar year in which the determination is made.

ACREAGE ALLOTMENTS

2 SEC. 352. (a) Whenever a national marketing quota
3 is proclaimed under section 351, the Secretary shall deter-
4 mine and proclaim a national acreage allotment for the crop
5 of rice to be produced in the next calendar year. The
6 national acreage allotment for rice shall be that acreage,
7 based on the national average yield per acre of rice in the
8 five calendar years immediately preceding the calendar year
9 in which the national marketing quota is proclaimed, with
10 such adjustments as are deemed necessary for abnormal
11 conditions affecting yields and for trends in yield, required
12 to make available from such crop an amount of rice equal
13 to such quota.

(b) The national acreage allotment for rice shall be apportioned among States on the basis of the acreage planted for the production of rice in the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with such adjustments as are deemed necessary for abnormal conditions affecting acreage and for trends in acreage, and the acreage allotment previously established for the State.

(c) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made, on the

1 basis of past production of rice by the producers on the
2 farm, taking into consideration the acreage allotments pre-
3 viously established for such owners or operators; abnormal
4 conditions affecting acreage; land, labor, and equipment
5 available for the production of rice; crop-rotation practices;
6 and soil and other physical factors affecting the production
7 of rice. Not more than 3 per centum of the State acreage
8 allotment shall be apportioned among farms operated by
9 persons who will produce rice during the calendar year for
10 which the allotment is made but who have not produced
11 rice in any one of the past five years, on the basis of the
12 applicable apportionment factors set forth herein.

13 FARM MARKETING QUOTAS

14 SEC. 353. The farm marketing quota for any crop of
15 rice shall be the actual production of rice on the farm less
16 the normal production of the acreage planted to rice on the
17 farm in excess of the farm acreage allotment. The normal
18 production from such excess acreage shall be known as the
19 "farm marketing excess": *Provided*, That the farm market-
20 ing excess shall not be larger than the amount by which the
21 actual production of rice on the farm exceeds the normal pro-
22 duction of the farm acreage allotment, if the producer estab-
23 lishes such actual production to the satisfaction of the Secre-
24 tary.

PART VI—PEANUT MARKETING QUOTAS

10 SEC. 361. The Secretary shall each year proclaim a na-
11 tional marketing quota for peanuts for the crop produced in
12 the next calendar year. Any national marketing quota pro-
13 claimed under this section shall be subject to a referendum
14 held pursuant to section 391. The Secretary shall also de-
15 termine and specify in such proclamation the amount of the
16 national marketing quota in terms of the quantity of peanuts
17 required to make available a supply from the crop with
18 respect to which the quota is proclaimed equal to the average
19 quantity of peanuts harvested for nuts during the five cal-
20 endar years immediately preceding the calendar year in
21 which such quota is proclaimed, adjusted for current trends
22 and prospective demand conditions. The proclamation shall
23 be made not later than December 1 of each calendar year.

ACREAGE ALLOTMENTS

1 SEC. 362. (a) Whenever a national marketing quota
2 is proclaimed under section 361, the Secretary shall deter-
3 mine and proclaim a national acreage allotment for the
4 crop of peanuts to be produced in the next calendar year.
5 The national acreage allotment for peanuts shall be that
6 acreage, based on the national average yield per acre of
7 peanuts in the five calendar years immediately preceding
8 the calendar year in which the national marketing quota
9 is proclaimed, with such adjustments as are deemed neces-
10 sary for abnormal conditions affecting yields and for trends
11 in yield, required to make available from such crop an amount
12 of peanuts equal to such quota.

14 (b) The national acreage allotment for peanuts, less
15 that acreage set aside for apportionment under subsection
16 (d) of this section, shall be apportioned among States on
17 the basis of the average acreage of peanuts harvested during
18 the five calendar years immediately preceding the calendar
19 year in which the national marketing quota is proclaimed,
20 with such adjustments as are deemed necessary for abnormal
21 conditions affecting production and for trends in acreage,
22 and the State acreage allotment for the crop immediately
23 preceding the crop for which the national acreage allotment
24 is established.

1 (c) The State acreage allotment shall be apportioned
2 among farms on which peanuts were produced in any one
3 of the three calendar years immediately preceding the year
4 for which such apportionment is made, on the basis of the
5 following: Past acreage of peanuts, taking into consideration
6 the acreage allotments previously established for the farm;
7 abnormal conditions affecting acreage; land, labor, and equip-
8 ment available for the production of peanuts; crop-rotation
9 practices; and soil and other physical factors affecting the
10 production of peanuts. Acreage allotments for peanuts shall
11 be established in conformity with Public Law 12, Seventy-
12 ninth Congress.

13 (d) Not more than 3 per centum of the national acreage
14 allotment shall be apportioned among farms on which pea-
15 nuts are to be produced during the calendar year for which
16 the allotment is made but on which peanuts were not pro-
17 duced during any one of the past three years, on the basis
18 of the following: Past peanut-producing experience by the
19 producers; land, labor, and equipment available for the pro-
20 duction of peanuts; crop-rotation practices; and soil and other
21 physical factors affecting the production of peanuts.

22 (e) Notwithstanding the foregoing provisions of this
23 section, the Secretary may, if he determines that such action
24 will facilitate the effective administration of the provisions
25 of the Act, provide for the apportionment of the State acre-

1 age allotment among the counties in the State on the basis
2 of the past acreage of peanuts in the county during a repre-
3 sentative period of not more than five years, as determined
4 by the Secretary, with such adjustments as are deemed
5 necessary for abnormal conditions affecting acreage and for
6 trends in acreage. The county acreage allotment shall be
7 apportioned among farms on the basis of the factors set forth
8 in subsection (c) of this section.

9 (f) If any amount of peanuts shall be marketed as
10 having been produced on the acreage allotment for any farm
11 which in fact was produced on a different farm, the acreage
12 allotment next established for each such farm shall be re-
13 duced by that percentage which such amount was of the
14 respective farm marketing quota. If proof of the disposition
15 of any amount of peanuts is not furnished as required by the
16 Secretary, the acreage allotment next established for the
17 farm on which such peanuts were produced shall be reduced
18 by a percentage similarly computed. Such reduction for
19 any such farm shall not be made if the Secretary through
20 the local committee finds that no person connected with
21 such farm caused, aided, or acquiesced in such marketing or
22 failure to furnish proof of disposition of peanuts.

23 FARM MARKETING QUOTAS

24 SEC. 363. (a) The farm marketing quota for any crop
25 of peanuts shall be the actual production of the farm acre-

1 age allotment or of the acreage of peanuts harvested,
2 whichever is the smaller.

3 (b) With respect to any farm for which no acreage
4 allotment is established or for which the acreage allotment
5 is one acre or less, the farm marketing quota shall be the
6 actual production of one acre or of the acreage of peanuts
7 harvested, whichever is the smaller.

8 PENALTIES

9 SEC. 364. Whenever farm marketing quotas are in effect
10 for any crop of peanuts, the marketing of peanuts in excess
11 of the marketing quota for the farm shall be subject to a
12 penalty at a rate per unit equal to 50 per centum of the
13 price support standard per unit for peanuts as of June 1
14 of the calendar year in which such crop is produced.

15 PART VII—MARKETING QUOTAS FOR OTHER
16 AGRICULTURAL COMMODITIES

17 APPLICATION OF PART

18 SEC. 371. The agricultural commodities covered by this
19 part comprise (1) field crops (other than those covered
20 by other parts of this title), including corn outside the com-
21 mercial corn-producing area, barley, oats, rye, grain sor-
22 ghums, flaxseed, soybeans, dry edible beans, and grass
23 seeds; (2) vegetables, including potatoes, cabbage, and to-
24 matoes; (3) fruits, including citrus fruits, dried fruits, and
25 deciduous fruits; (4) tree nuts, including English walnuts

1 and pecans; (5) livestock, including hogs, cattle, and lambs;
2 (6) poultry, including chickens and turkeys; (7) whole
3 milk, butterfat, eggs, hops, honey, honeybees, and gum
4 naval stores, or any regional or market classification, type,
5 or grade of any agricultural commodity covered by this part.
6 The inclusion in each group of specific agricultural com-
7 modities shall not be taken as a limitation on agricultural
8 commodities otherwise falling within such group.

9 NATIONAL MARKETING QUOTA

10 SEC. 372. Whenever the Secretary determines that the
11 total supply of any agricultural commodity for the next
12 marketing year will, in the absence of a marketing quota
13 program, likely exceed the normal supply for such market-
14 ing year by such an amount as will make a marketing quota
15 program necessary to effectuate the declared policy of the
16 Act and that the operation of such a program will be admin-
17 istratively practicable, the Secretary shall proclaim such fact
18 and shall proclaim a national marketing quota which shall
19 be in effect for such commodity: *Provided*, That whenever
20 a national marketing quota is proclaimed for corn in the
21 commercial corn-producing area, the Secretary may, with-
22 out regard to supply, proclaim a national marketing quota
23 for oats, barley, grain sorghums, rye, or corn outside the
24 commercial corn-producing area. Any national marketing

1 quota proclaimed under this section shall be subject to a
2 referendum held pursuant to section 391. The Secretary
3 shall also determine and specify in such proclamation the
4 amount of the national marketing quota in terms of the
5 quantity required, together with (1) the estimated carry-
6 over at the beginning of the marketing year for which such
7 quota is proclaimed, (2) the estimated imports during such
8 marketing year, and (3) if a commercial area is established,
9 the estimated production of the commodity in the United
10 States outside such area, to make available a normal supply
11 of such commodity. The proclamation of a national mar-
12 keting quota for any agricultural commodity which is planted
13 annually shall be made not less than sixty days prior to the
14 beginning of the normal planting season, and in the case of
15 any other commodity, not less than ninety days prior to the
16 beginning of the marketing year. The national marketing
17 quota for any agricultural commodity may be made appli-
18 cable to a crop or to a marketing year.

19 APPORTIONMENTS OF NATIONAL MARKETING QUOTA

20 SEC. 373. (a) The national marketing quota for any
21 agricultural commodity established pursuant to the provisions
22 of section 372, less the portion thereof set aside for purposes
23 of subsection (d) of this section, shall be apportioned by the
24 Secretary among the several States on the basis of the total
25 marketings or production (in terms of acreage, production

1 units, or commodity units) of such commodity in each State
2 during such representative period as the Secretary may deter-
3 mine, with such adjustments as are deemed necessary for
4 abnormal conditions affecting production or marketing and
5 for trends in production or marketing.

6 (b) The Secretary shall provide for the allotment of the
7 marketing quota for any State for any agricultural commodity
8 among the farms in the State on which such commodity has
9 been produced in any year of a representative period of not
10 more than five years, as determined by the Secretary. Such
11 allotment shall be made in such manner and in such amounts
12 as to provide a fair and equitable distribution of the market-
13 ing quota for any State among such farms in the State, taking
14 into consideration one or more, as the Secretary determines
15 may best effectuate the purposes of the Act, of the following
16 factors: Past marketings or production (in terms of acreage,
17 production units, or commodity units) of the commodity,
18 taking into consideration the quota or allotment previously
19 established for the farm; abnormal conditions affecting pro-
20 duction; land, labor, and equipment available for the produc-
21 tion and marketing of the commodity; rotation practices;
22 and soil and other physical factors affecting the production
23 of the commodity.

24 (c) If the Secretary determines that such action will
25 facilitate the effective administration of the provisions of

1 the Act, the marketing quota for any State may be appor-
2 tioned among the counties therein on the basis of the pro-
3 visions of subsection (a) of this section for apportioning
4 the national marketing quota among the States, and the
5 marketing quotas so established for the counties shall be
6 apportioned among farms in the county on the basis of the
7 provisions of subsection (b) of this section for apportioning
8 the State marketing quota among farms in the State.

9 (d) Not more than 5 per centum of the national mar-
10 keting quota for any agricultural commodity shall be appor-
11 tioned among farms on which producers will produce such
12 commodity but for which marketing quotas were not estab-
13 lished pursuant to subsection (b) or (c) of this section.
14 Such apportionment shall be made in such manner and in
15 such amounts as to provide a fair and equitable distribution
16 of such portion of the quota, taking into consideration one
17 or more, as the Secretary determines may best effectuate
18 the purposes of the Act, of the following factors: Past
19 marketings or production (in terms of acreage, production
20 units, or commodity units) of the commodity by the pro-
21 ducers; abnormal conditions affecting production; land,
22 labor, and equipment available for the production and mar-
23 keting of the commodity; rotation practices; and soil and
24 other physical factors affecting the production of the
25 commodity.

1 (e) Notwithstanding the foregoing provisions of this
2 section, the Secretary, on the basis of the average yield per
3 acre or average production per production unit for the
4 commodity for the State during such representative period
5 as he may determine, with such adjustments as are deemed
6 necessary for abnormal conditions affecting production and
7 trends in production, may convert the State marketing quota
8 for any agricultural commodity into a State acreage allot-
9 ment or other production unit allotment and apportion the
10 same among farms on the basis of the provisions of sub-
11 section (b) or (c) of this section. The Secretary, on the
12 basis of the national average yield per acre or production
13 per production unit for the commodity during the same
14 period, similarly adjusted, may also convert into an acreage
15 allotment or other production unit allotment the amount
16 reserved from the national marketing quota under subsection
17 (d) of this section and apportion the same among farms
18 on the basis of the provisions of that subsection.

19 COMMERCIAL AREA

20 SEC. 374. (a) Notwithstanding the provisions of section
21 373, if the Secretary determines that such action will facili-
22 tate the effective administration of the Act, he may establish
23 a commercial area for any agricultural commodity (except
24 corn outside the commercial corn-producing area) and pro-
25 claim such area at the time the national marketing quota is

1 proclaimed pursuant to section 372. In establishing such
2 area, the Secretary shall, insofar as practicable, observe
3 county, minor civil division, or administrative area boundary
4 lines, and with respect to each such political subdivision or
5 administrative area in which the commodity is produced,
6 take into consideration one or more of the following factors:
7 The total production of the commodity, the number of farms
8 normally producing the commodity, the average production
9 of the commodity per farm, the value of the total marketings
10 of the commodity, the extent to which marketings enter into
11 commercial channels outside such area, and the value of other
12 farm commodities.

13 (b) Whenever a commercial area is established for
14 any agricultural commodity—

15 (1) the national marketing quota, less the portion
16 thereof set aside under paragraph (2) of this subsection,
17 shall be apportioned by the Secretary among coun-
18 ties and farms in the commercial area on the basis
19 of the provisions of subsections (a) and (b) of section
20 373 for apportioning the national marketing quota
21 among States and farms, respectively;

22 (2) not more than 5 per centum of the national
23 marketing quota for any agricultural commodity shall
24 be apportioned to farms on the basis of the provisions
25 of section 373 (d).

1 (c) Notwithstanding the provisions of subsection (b)
2 of this section, the Secretary, on the basis of the provisions
3 of section 373 (e), using county average yields or pro-
4 duction in lieu of State average yields or production, may
5 convert the quota for any county into a county acreage
6 allotment or other production-unit allotment and apportion
7 the same among farms on the basis of the provisions of sec-
8 tion 373 (b) for apportioning the State marketing quota
9 among farms. The Secretary, on the basis of the provi-
10 sions of section 373 (e), using average yields or production
11 for the commercial area in lieu of national average yields or
12 production, may also convert into an acreage allotment or
13 other production-unit allotment the amount reserved from the
14 national marketing quota under subsection (b) (2) of this
15 section and apportion the same among farms on the basis
16 of the provisions of section 373 (d).

17 PERSONAL HISTORY

18 SEC. 375. Notwithstanding the foregoing provisions of
19 this part, in any State, county, or other administrative area
20 in which the Secretary determines that a substantial portion
21 of the production of any agricultural commodity is carried on
22 by persons who normally produce the commodity on different
23 farms from one year to the next, the Secretary, in providing
24 for the establishment of marketing quotas or acreage allot-
25 ments or other production unit allotments for farms in such

1 State, county, or area, shall consider the past production,
2 acreage, or marketings of the commodity by such persons,
3 in addition to the other factors required to be considered.

4 FARM MARKETING QUOTAS

5 SEC. 376. (a) If farm marketing quotas are established
6 for any agricultural commodity without acreage allotments
7 or other production unit allotments, the farm marketing
8 quota shall be the smaller of the number of commodity units
9 established for the farm under the applicable provisions of
10 section 373 or 374, or the actual production of the commodity
11 on the farm.

12 (b) Subject to the provisions of subsection (c) of this
13 section, if farm acreage allotments or other production unit
14 allotments are established for an agricultural commodity, the
15 farm marketing quota shall be the smaller of the actual pro-
16 duction of the farm acreage allotment or other production
17 unit allotment established for the farm under the applicable
18 provisions of section 373 or 374, or the actual production
19 of the commodity on the farm.

20 (c) With respect to any agricultural commodity for
21 which the Secretary determines that such action will facil-
22 itate the effective administration of the provisions of the
23 Act, the farm marketing quota for such commodity shall
24 be the actual production of the commodity on the farm
25 less the normal production of the acreage planted or pro-

1 duction units maintained in excess of the farm acreage allot-
2 ment or other production unit allotment. The normal
3 production from such excess acreage or other production
4 units shall be known as the "farm marketing excess": *Pro-*
5 *vided*, That the farm marketing excess shall not be larger
6 than the amount by which the actual production on the
7 farm exceeds the normal production of the farm acreage
8 allotment or other production unit allotment, if the pro-
9 ducer establishes such actual production to the satisfaction
10 of the Secretary.

11 PENALTIES

12 SEC. 377. (a) Whenever farm marketing quotas are
13 in effect for any agricultural commodity, the farm market-
14 ing excess of such commodity or the marketing of such
15 commodity in excess of the farm marketing quota, shall
16 be subject to a penalty at a rate per unit of the commodity
17 so marketed equal to 50 per centum of the price-support
18 standard per unit for such commodity as of the begin-
19 ning of the second month prior to the beginning of the
20 marketing year for such commodity. Any agricultural
21 commodity produced as a part of the crop which will be
22 marketed in the marketing year for which marketing quotas
23 are in effect shall be subject to such quotas even though it
24 is marketed prior to the date on which such marketing
25 year begins. Any agricultural commodity carried over by

1 the producer thereof from one marketing year to another
2 may be marketed without payment of the penalty prescribed
3 in this subsection if the total amount of the commodity avail-
4 able for marketing from the farm in the marketing year
5 from which the commodity is carried over did not exceed
6 the farm marketing quota established for the farm for such
7 marketing year.

8 (b) Whenever farm marketing quotas are in effect
9 with respect to any crop or production of any agricultural
10 commodity and a farm marketing excess is determined there-
11 for, the producer shall be subject to a penalty on such excess
12 at the rate per unit prescribed in subsection (a) of this
13 section.

14 EXEMPTION

15 SEC. 378. Notwithstanding the foregoing provisions of
16 this part, the Secretary may, if he deems such action will
17 not interfere with the effective operation of a marketing
18 quota program under this part, determine for any agricul-
19 tural commodity a uniform amount of production (in terms
20 of acreage, production units, or commodity units) per farm
21 which may be marketed free of the penalty provided in
22 section 377, taking into consideration the amount of such
23 commodity normally used for home consumption per family
24 living on the farm and the effect of such exemption on

1 other marketing quota programs. This exemption shall
2 not apply to any farm on which the acreage or production
3 of the commodity exceeds the amount so determined for
4 an individual farm.

5 ADJUSTMENT IN ACREAGE ALLOTMENT FOR VEGETABLES

6 SEC. 379. Notwithstanding any other provision of this
7 part, the Secretary is authorized in the proclamation of the
8 marketing quota for any vegetable to announce that, if the
9 quota is approved, acreage allotments established for such
10 vegetable shall be tentative allotments. If the Secretary
11 determines with respect to any such vegetable for which a
12 marketing quota is approved in the producer referendum
13 that the supply, either actual or prospective, of such vege-
14 table available for marketing from any producing area or
15 areas during any period of time is depressing or is likely
16 to depress the farm price for such vegetable to such an
17 extent as will substantially impair the effectuation of the
18 purposes of this Act with respect to such vegetable, the
19 Secretary is authorized to reduce the acreage allotments
20 established for all farms in the area or areas concerned by
21 such uniform percentage not in excess of 20 per centum
22 as he determines is necessary to effectuate the purposes of
23 this Act with respect to such vegetable.

1 PART VIII—PUBLICATION AND REVIEW OF QUOTAS

2 APPLICATION OF PART

3 SEC. 381. This part shall apply to the publication and
4 review of farm marketing quotas established under this title.

5 PUBLICATION AND NOTICE OF QUOTA

6 SEC. 382. All acreage or other production unit allot-
7 ments, and the farm marketing quotas established for farms
8 in a county or other local administrative area, shall, in
9 accordance with regulations of the Secretary, be made and
10 kept freely available for public inspection in the office of
11 the county committee or other local administrative area
12 office. Notice of the farm marketing quota of his farm shall
13 be mailed to the farmer.

14 REVIEW BY REVIEW COMMITTEE

15 SEC. 383. Any farmer who is dissatisfied with his farm
16 marketing quota may, within fifteen days after mailing to
17 him of notice as provided in section 382, apply to have such
18 quota reviewed by a local review committee composed of
19 three farmers appointed by the Secretary. Such committee
20 shall not include any member of the local committee which
21 determined the farm acreage or other production unit allot-
22 ment, the normal yield, or the farm marketing quota for such
23 farm. Unless application for review is made within such
24 period, the original determination of the farm marketing
25 quota shall be final.

REVIEW COMMITTEE

SEC. 384. The members of the review committee shall receive as compensation for their services the same per diem as that received by the members of the committee utilized for the purposes of the Soil Conservation and Domestic Allotment Act, as amended. The members of the review committee shall not be entitled to receive compensation for more than sixty days in any one year.

INSTITUTION OF JUDICIAL PROCEEDINGS

SEC. 385. If the farmer is dissatisfied with the determination of the review committee, he may, within fifteen days after a notice of such determination is mailed to him by registered mail, file a complaint against the review committee as defendant in the United States district court, or institute proceedings for review in any court of record of the State having general jurisdiction, sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfactory to the court to secure the United States for the costs of the proceeding. The bill of complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon the review committee shall certify and file in the court a transcript of the record upon

1 which the determination complained of was made, together
2 with its findings of fact.

3 JUDICIAL REVIEW

4 SEC. 386. The review by the court shall be limited
5 to questions of law, and the findings of fact by the review
6 committee, if supported by evidence, shall be conclusive. If
7 application is made to the court for leave to adduce addi-
8 tional evidence, and it is shown to the satisfaction of the court
9 that such additional evidence is material and that there were
10 reasonable grounds for failure to adduce such evidence in the
11 hearing before the review committee, the court may direct
12 such additional evidence to be taken before the review com-
13 mittee in such manner and upon such terms and conditions
14 as to the court may seem proper. The review committee
15 may modify its findings of fact or its determination by reason
16 of the additional evidence so taken, and it shall file with the
17 court such modified findings or determination, which findings
18 of fact shall be conclusive. At the earliest convenient time,
19 the court, in term time or vacation, shall hear and determine
20 the case upon the original record of the hearing before the
21 review committee and upon such record as supplemented, if
22 supplemented by further hearing before the review committee
23 pursuant to direction of the court. The court shall affirm the
24 review committee's determination, or modified determina-

1 tion, if the court determines that the same is in accordance
2 with law. If the court determines that such determination
3 or modified determination is not in accordance with law, the
4 court shall remand the proceeding to the review committee
5 with direction either to make such determination as the court
6 shall determine to be in accordance with law or to take such
7 further proceedings as, in the court's opinion, the law re-
8 quires. The commencement of judicial proceedings under
9 this part shall not, unless specifically ordered by the court,
10 operate as a stay of the review committee's determination.

11 EXCLUSIVE JURISDICTION

12 SEC. 387. Notwithstanding any other provision of law,
13 the jurisdiction conferred by this part to review the legal
14 validity of a determination made by a review committee
15 pursuant to this part shall be exclusive. No court of the
16 United States or of any State shall have jurisdiction to pass
17 upon the legal validity of any such determination except
18 in a proceeding under this part.

19 NO EFFECT ON OTHER QUOTAS

20 SEC. 388. Notwithstanding any increase of any farm
21 marketing quota for any farm as a result of review of the
22 determination thereof under this part, the marketing quotas
23 for other farms shall not be affected.

PART IX—GENERAL PROVISIONS

REFERENDUM

SEC. 391. (a) The Secretary shall conduct a referendum of farmers to determine whether they favor or oppose a national marketing quota proclaimed under this title, by not later than the following dates after the issuance of the proclamation: July 31 for wheat and Puerto Rican cigar-filler tobacco; December 31 for other tobacco, corn, cotton, rice, or peanuts; and sixty days for any other commodity. The persons eligible to vote in the referendum shall be farmers engaged in the production of the commodity in the year in which the referendum is held, except that the Secretary may provide for the inclusion in the referendum of farmers engaged in the production of the commodity in any area in the preceding year where farming practices in such area are such as to make the two-year period a more representative period for determining eligibility. The term "farmers engaged in the production of the commodity", as used in this subsection, means, as to wheat, any farmer who produced wheat on a farm on which the acreage of wheat seeded for harvest was more than fifteen acres; as to corn in the commercial corn-producing area, any farmer who produced corn on a farm in such area on which the acreage planted to corn was more than fifteen acres; and as to commodities covered by part VII of this

1 title, any farmer who produced the commodity on a farm
2 on which the total production was larger than the exemp-
3 tion for the commodity under the provisions of section 378.
4 If more than one-third of the farmers voting in the refer-
5 endum oppose the quota, such quota shall become ineffective
6 upon proclamation of the results of the referendum. In lieu
7 of the question whether such farmers favor the national
8 marketing quota so proclaimed, the Secretary may submit
9 in the referendum the questions whether they (1) favor
10 such quota for the one crop and also favor quotas for the
11 three crops beginning with the crop for which such quota
12 is proclaimed, (2) oppose quotas for such three crops but
13 favor quotas for the crop for which such quota is proclaimed,
14 or (3) oppose quotas for both the one crop and such three
15 crops. If two-thirds or more of the farmers voting favor
16 quotas for the three crops, no referendum shall be held
17 for the second and third crops and a national marketing
18 quota shall be in effect for each of such three crops for
19 which a national marketing quota is proclaimed under this
20 title. If more than one-third of the farmers voting in the
21 referendum oppose quotas, such result shall not affect or
22 limit the proclamation and submission to a referendum dur-
23 ing any calendar year, as otherwise provided in this section,
24 of a national marketing quota for any subsequent crop.

1 The Secretary shall proclaim the results of any referendum
2 held hereunder within thirty days after the date of such
3 referendum. The provisions of this section shall be appli-
4 cable also to any commodity covered by part VII of this
5 title for which a national marketing quota is proclaimed
6 for a marketing year instead of for a crop.

7 (b) The determinations of the Secretary as to the
8 farmers eligible to vote in any referendum under this title,
9 and the proclaimed results of any such referendum, shall
10 be final and conclusive and shall not be reviewable by any
11 other officer or agency of the Government.

12 ADJUSTMENT, TERMINATION, AND TRANSFER OF QUOTAS

13 SEC. 392. (a) If the Secretary has reason to believe
14 that because of an economic or other emergency with respect
15 to any agricultural commodity, or because of a material
16 change in supply and demand conditions therefor, the
17 national marketing quota for such commodity should be
18 increased or terminated, he shall cause an immediate inves-
19 tigation to be made to determine whether the increase or
20 termination is necessary in order to effectuate the declared
21 policy of this Act or to meet such emergency or such change
22 in conditions. If, on the basis of such investigation, the
23 Secretary finds that such increase or termination is neces-
24 sary, he shall immediately proclaim such finding (and if
25 he finds an increase is necessary, the amount of the increase

1 found by him to be necessary), and thereupon such quota
2 shall be increased, or shall be terminated, as the case may
3 be. In case any national marketing quota for any agricul-
4 tural commodity is increased under this section, each farm
5 marketing quota for the commodity shall be increased in
6 the same ratio.

7 (b) Whenever marketing quotas are terminated under
8 the provisions of this title with respect to any crop of corn
9 in the commercial corn-producing area, marketing quotas
10 applicable to oats, barley, grain sorghums, rye, or corn outside
11 the commercial corn-producing area, shall be terminated
12 unless the Secretary determines that the total supply of any
13 such crop will exceed the normal supply for the marketing
14 year for which the national marketing quota was proclaimed
15 and that the continuation of marketing quotas for such crop
16 is necessary to effectuate the purposes of the Act.

17 (c) If, with respect to a particular crop of, or marketing
18 year for, a commodity, the Secretary determines that a
19 quota will not be proclaimed, or a quota is disapproved by
20 producers in a referendum, or a quota is terminated, the Sec-
21 retary shall, not later than the end of the marketing year
22 beginning in the calendar year current at the time of such
23 determination, disapproval or termination, terminate all
24 marketing quotas in effect with respect to such commodity.

25 (d) The transfer of farm acreage allotments or other

1 production unit allotments and farm marketing quotas shall
2 not be permitted except as authorized by the Secretary and
3 then only in such uniform manner and subject to such
4 uniform conditions as he may by regulations prescribe. The
5 Secretary shall prescribe regulations under which the allot-
6 ment or marketing quota established, or which would have
7 been established, for any farm acquired for nonfarming pur-
8 poses by the United States or any State or agency thereof
9 shall be placed in a State pool and used only for establish-
10 ing allotments or marketing quotas for farms owned or
11 acquired by the owner of the farm so acquired by the United
12 States or State or agency thereof. The allotment or market-
13 ing quota so established for any farm shall, regardless of
14 the past production or marketings of the commodity for the
15 farm, be comparable with the allotments or quotas established
16 for other farms in the same area which are similar except
17 for past production or marketings. Allotments or quotas
18 established pursuant to this provision shall not affect the
19 allotments or quotas for other farms in the county.

20 IDENTIFICATION OF COMMODITY

21 SEC. 393. The Secretary shall provide by regulations
22 for the identification, whenever necessary, of any agricultural
23 commodity so as to afford aid in discovering and identifying
24 such amounts of the commodity as are subject to and such

1 amounts thereof as are not subject to marketing restrictions
2 in effect under this title.

3 PAYMENT AND COLLECTION OF PENALTIES

4 SEC. 394. (a) The producer shall be liable for the pay-
5 ment of the marketing penalty provided for in this title,
6 and the person in the United States to whom the agricultural
7 commodity is marketed by the producer, or any warehouse-
8 man or agent through whom such commodity is marketed
9 for the producer, shall be liable for the collection of the
10 penalty, the amount of which may be deducted from the
11 price paid to the producer. The person liable for the col-
12 lection of the penalty shall, upon his failure to collect such
13 penalty, be jointly and severally liable with the producer
14 for the payment of the penalty. All such penalties shall be
15 paid, collected, and remitted to the Secretary in such man-
16 ner, at such times, and under such conditions as the Secre-
17 tary may by regulations prescribe. The person liable for
18 payment or collection of the penalty shall be liable also for
19 interest thereon at the rate of six percent per annum from
20 the date the penalty becomes due until the date of payment
21 of such penalty.

22 (b) In determining the rate of any marketing penalty
23 provided for in this title, fractional cents shall be rounded
24 to the nearest whole cent (dropping a half-cent and less),

1 except that fractional cents shall be rounded to the nearest
2 tenth of a cent (dropping five-hundredths of a cent and less)
3 in case the computation of the rate of the penalty results in
4 an amount less than 5 cents.

5 (c) A lien on the entire farm crop or production of any
6 agricultural commodity subject to marketing quotas shall be
7 in effect in favor of the United States until the amount of
8 penalty, if any, with respect to such commodity is paid,
9 postponed, or avoided, as provided in this title.

10 (d) The termination or expiration of marketing quotas
11 under this title for any agricultural commodity shall not
12 relieve any person of any penalty which became due and
13 payable prior to such termination or expiration.

14 (e) No penalty shall be collected under this title with
15 respect to the marketing of any agricultural commodity
16 grown for experimental purposes only by any publicly
17 owned agricultural experiment station.

18 STORAGE OR OTHER DISPOSITION TO POSTPONE OR AVOID

19 PENALTY

20 SEC. 395. (a) The amount of penalty provided for
21 cotton, corn, wheat, rice, and any commodity covered by
22 part VII for which a quota is established pursuant to section
23 376 (c), and the amount of any such commodity to be
24 stored or otherwise disposed of pursuant to subsection (b)
25 of this section to postpone or avoid payment of penalty, shall

1 be computed upon the normal production of the acreage on
2 the farm planted to the commodity in excess of the farm
3 acreage allotment. If a downward adjustment in the amount
4 of the farm marketing excess is made as authorized by this
5 title, the difference between the amount of the penalty or
6 storage computed upon the farm marketing excess before
7 such adjustment and as computed upon the adjusted farm
8 marketing excess shall be returned to or allowed the
9 producer.

10 (b) The penalty on the farm marketing excess of any
11 storable commodity may be avoided or postponed by stor-
12 age. The penalty on the farm marketing excess of any
13 commodity may be avoided or postponed by disposing of
14 such commodity in such other manner, not inconsistent with
15 the purposes of this Act, as the Secretary shall prescribe,
16 including, in the discretion of the Secretary, delivery to
17 Commodity Credit Corporation or any other agency within
18 the Department. The Secretary shall issue regulations gov-
19 erning such storage or other disposition. Unless otherwise
20 specified by the Secretary in such regulations, any quantity
21 of the commodity so stored or otherwise disposed of shall
22 be of those types and grades which are representative of the
23 entire quantity of the crop or other production on the farm.
24 Upon failure so to store or otherwise dispose of the farm
25 marketing excess within such time as may be determined

1 under regulations prescribed by the Secretary, the penalty
2 on such excess shall be due and payable. Any commodity
3 delivered to any agency of the Department pursuant to this
4 subsection shall become the property of the agency to which
5 delivered and shall be disposed of at the direction of the
6 Secretary in a manner not inconsistent with the purposes
7 of this Act.

8 (c) Subject to the provisions of subsection (d) of this
9 section, the penalty upon the farm marketing excess stored
10 pursuant to this section shall be paid by the producer at
11 the time and to the extent of any depletion in the amount
12 so stored, except depletion resulting from some cause beyond
13 the control of the producer or from substitution of the com-
14 modity authorized by the Secretary.

15 (d) Whenever a farm marketing excess is established
16 for any commodity—

17 (1) If the planted acreage of the then current crop
18 of the commodity for any farm is less than the farm acreage
19 allotment, the amount of the commodity from any previous
20 crop stored to postpone or avoid payment of the penalty
21 shall be reduced by an amount equal to the normal pro-
22 duction of the number of acres by which the farm acreage
23 allotment exceeds the acreage planted to the commodity.

24 (2) If the actual production of the acreage of the
25 commodity on any farm on which the acreage of the com-

1 modity is within the farm acreage allotment is less than
2 the normal production of the farm acreage allotment, the
3 amount of the commodity from any previous crop stored
4 to postpone or avoid payment of penalty shall be reduced
5 by an amount which, together with the actual production
6 of the then current crop, will equal the normal production
7 of the farm acreage allotment: *Provided*, That the reduc-
8 tion under this subsection shall not exceed the amount by
9 which the normal production of the farm acreage allot-
10 ment, less any reduction made under subsection (d) (1)
11 is in excess of the actual production of the acreage planted
12 to the commodity on the farm.

13 As used in this section, the terms "acreage" and "acre-
14 age allotment" shall, where applicable, be deemed to include
15 other production units and production unit allotments,
16 respectively.

17 ABATEMENT OF PENALTY ON CARRY-OVER

18 SEC. 396. (a) When the acreage on any farm of the
19 current crop of tobacco, peanuts, or any commodity covered
20 by part VII for which a quota is established pursuant to
21 section 376 (b) is less than the farm acreage allotment,
22 there may be marketed free of penalty an amount of penalty
23 commodity carried over from any previous crop equal to
24 the normal production of acreage by which such allotment
25 exceeds such farm acreage. The terms "acreage" and "acre-

1 age allotment" shall, where applicable, be deemed to in-
2 clude other production units and production unit allotments,
3 respectively.

4 (b) When the production on any farm of the current
5 crop of tobacco, or current crop or production of any com-
6 modity covered by part VII for which a quota is established
7 pursuant to section 376 (a) is less than the amount estab-
8 lished as the farm marketing quota, there may be marketed
9 free of penalty an amount of penalty commodity carried over
10 from any previous crop or marketing year, as the case may
11 be, equal to the amount by which the marketing quota
12 exceeds the amount of the commodity produced on the farm.

13 PROPORTIONAL PAYMENT OF PENALTY

14 SEC. 397. The Secretary may require payment of the
15 penalty upon a proportion of each lot of tobacco, peanuts,
16 or any commodity covered by part VII for which a quota
17 is established pursuant to section 376 (b), marketed from
18 the farm equal to the proportion which the acreage in excess
19 of the farm acreage allotment is of the total acreage on the
20 farm unless the producer establishes to the satisfaction of
21 the Secretary that the excess of the commodity will not be
22 marketed. If any quantity of such commodity is carried over
23 from a previous crop or marketing year, as the case may be,
24 for the purpose of computing the proportion of such com-
25 modity on which penalty will be paid or collected when

1 marketed, the total amount of the commodity carried over
2 and the proportion thereof which would have been subject
3 to penalty shall be converted to acreages on the basis of
4 the normal yield for the farm for the year into which carried
5 over and such acreages shall be included in the total acreage
6 of the commodity on the farm and in the amount thereof
7 which is in excess of the farm acreage allotment, respec-
8 tively. As used in this section, the terms acreage and acre-
9 age allotment shall, where applicable, be deemed to include
10 other production units and production unit allotments,
11 respectively.

12 PENALTY IN CASE OF FALSE IDENTIFICATION

13 SEC. 398. In the case of tobacco, peanuts, or any com-
14 modity covered by part VII for which a quota is established
15 pursuant to section 376 (b), if the amount of the commodity
16 subject to penalty cannot be determined because the producer
17 falsely identifies or fails to account for the disposition of any
18 amount of such commodity, an amount of the commodity
19 equal to the normal production of the number of acres or other
20 production units of the commodity in excess of the farm acre-
21 age allotment or other production unit allotment shall be
22 deemed to have been marketed in excess of the marketing
23 quota for the farm, and the penalty thereon shall be due and
24 payable.

1 PENALTY WHERE PRODUCER DOES NOT PERMIT
2 MEASUREMENTS

3 SEC. 399. Any producer refusing to permit the measure-
4 ment or determination provided for in section 401, or know-
5 ingly or willfully obstructing such measurement or deter-
6 mination, shall thereafter be liable for the immediate pay-
7 ment of the marketing penalty in effect for the entire amount
8 of any agricultural commodity available for marketing from
9 the farm, as estimated pursuant to regulations by the Sec-
10 retary, until such time as he permits such measurement or
11 determination.

12 PENALTY ACCOUNTING AND REFUNDS

13 SEC. 400. All funds collected as marketing penalties on
14 any agricultural commodity under this title shall be covered
15 into the general fund of the Treasury of the United States,
16 except such amount thereof as the Secretary estimates will
17 be required for refunds as provided herein, which amount
18 shall be deposited in a special deposit account with the
19 Treasurer of the United States: *Provided*, That the Sec-
20 retary may, if such special deposit account is not adequate
21 for such purpose, make such refunds from funds available
22 for payments under the Soil Conservation and Domestic
23 Allotment Act, as amended. Penalties which the Secre-
24 tary finds were erroneously, illegally, or wrongfully col-
25 lected by him shall be refunded, in accordance with regu-

1 lations prescribed by the Secretary, to the person who
2 bore the burden of the amount so collected, but no such
3 refund shall be required to be made unless claim therefor
4 is filed with the Secretary within two years after payment
5 of the amount so collected. Notwithstanding the provisions
6 of section 397, no refund of any penalty shall be made
7 because of peanuts kept on the farm for seed or for home
8 consumption. The determination, under regulations pre-
9 scribed by the Secretary, of the basis for, the amount of,
10 and the person entitled to receive a refund from such account
11 shall be final and conclusive and shall not be reviewable by
12 any other officer or agency of the Government. Any funds
13 in a special deposit account which are not required for
14 refunds as provided herein shall be transferred to the general
15 fund of the Treasury of the United States.

16 RECORDS, REPORTS, AND FARM MEASUREMENTS

17 SEC. 401. (a) This subsection shall apply to ware-
18 housemen, processors, and common carriers of any agricul-
19 tural commodity; all ginnerers of cotton; all persons engaged
20 in the business of purchasing agricultural commodities from
21 producers or harvesting such commodities for producers; all
22 persons engaged in the business of redrying, prizing, or stem-
23 ming tobacco for producers; and all brokers and dealers in
24 peanuts, all agents marketing peanuts for producers or ac-
25 quiring peanuts for buyers and dealers, all peanut growers'

1 cooperative associations, all persons engaged in the business
2 of cleaning, shelling, crushing, and salting of peantus and the
3 manufacture of peanut products, and all persons owning or
4 operating peanut picking or peanut threshing machines.
5 Any such person shall, from time to time on request of
6 the Secretary, report to the Secretary such information and
7 keep such records as the Secretary finds to be necessary to
8 enable him to carry out the provisions of this title. Such
9 information shall be reported and such records shall be kept
10 in accordance with forms which the Secretary shall prescribe.
11 For the purpose of ascertaining the correctness of any report
12 made or record kept, or of obtaining information required
13 to be furnished in any report, but not so furnished, the Secre-
14 tary is hereby authorized to examine such books, papers,
15 records, accounts, correspondence, contracts, documents, and
16 memoranda as he has reason to believe are relevant and are
17 within the control of such person. Any such person failing
18 to make any report or keep any record as required by this
19 subsection shall be deemed guilty of a misdemeanor and upon
20 conviction thereof shall be fined not more than \$500, and
21 any such person making any false report or record shall be
22 deemed guilty of a misdemeanor and upon conviction thereof
23 shall be fined not more than \$1,000 or imprisoned not more
24 than one year, or both; and any tobacco warehouseman or
25 dealer who fails to remedy such violation by making a com-

1 plete and accurate report or keeping a complete and accu-
2 rate record as required by this subsection within fifteen
3 days after notice to him of such violation shall be fined an
4 additional \$100 for each ten thousand pounds of tobacco, or
5 fraction thereof, bought or sold by him after the date of such
6 violation: *Provided*, That such fine shall not exceed \$5,000,
7 and notice of such violation shall be served upon the tobacco
8 warehouseman or dealer by mailing the same to him by
9 registered mail or by posting the same at any established
10 place of business operated by him, or both.

11 (b) Farmers engaged in the production of any agri-
12 cultural commodity shall furnish such proof of their acre-
13 age, production units, production, yield, storage, and market-
14 ing of the commodity in the form of records, marketing
15 cards, reports, storage or sale receipts, or otherwise, as
16 the Secretary may prescribe as necessary for the adminis-
17 tration of this title. Any such person failing to make any
18 report or keep any record as required by this subsection
19 shall be deemed guilty of a misdemeanor and upon convic-
20 tion thereof shall be fined not more than \$500 and any such
21 person making any false report or record shall be deemed
22 guilty of a misdemeanor and upon conviction thereof shall
23 be fined not more than \$1,000 or imprisoned not more than
24 one year, or both.

25 (c) All data reported to or acquired by the Secretary

1 pursuant to this section shall be kept confidential by all
2 officers and employees of the Department, and only such
3 data so reported or acquired as the Secretary deems rele-
4 vant shall be disclosed by them, and then only in a suit
5 or administrative hearing under this title.

6 (d) The Secretary shall provide, through the county
7 and local committees, for measuring or otherwise deter-
8 mining the acreages, production units, and amounts of any
9 agricultural commodity on any farm for the purpose of
10 ascertaining whether there has been compliance with the
11 farm allotment and farm quota established therefor under
12 this title. Each producer of an agricultural commodity shall
13 permit such measurement or determination of the acreages,
14 production units, and the amount of any agricultural com-
15 modity on his farm.

16 JUDICIAL ENFORCEMENT

17 SEC. 402. The several district courts of the United
18 States are hereby vested with jurisdiction specifically to
19 enforce the provisions of this title, including jurisdiction
20 to compel the filing of required reports and to prevent and
21 restrain the marketing of agricultural commodities without
22 the payment of required penalties. If and when the Sec-
23 retary shall so request, it shall be the duty of the several
24 district attorneys in their respective districts, under the
25 direction of the Attorney General, to institute proceedings

1 to enforce the provision of this title, including the collec-
2 tion of the penalties provided for in this title. The remedies
3 and penalties provided for in this title shall be in addition
4 to, and not in substitution for, any of the remedies or pen-
5 alties under existing law.

6 ALLOTMENTS WITHOUT MARKETING RESTRICTIONS

7 SEC. 403. The Secretary is authorized to establish
8 acreage, production unit, or commodity unit allotments for
9 any agricultural commodity or group of agricultural com-
10 modities for any year although a national marketing quota
11 for such commodity or commodities is not proclaimed or not
12 in effect under the provisions of this title. In establishing
13 such allotments, the Secretary shall compute a national
14 marketing quota and apportion the same in accordance with
15 the applicable provisions of this title.

16 REGULATIONS

17 SEC. 404. The Secretary shall prescribe such regula-
18 tions as are necessary for the administration and enforce-
19 ment of this title.

20 TITLE IV—MISCELLANEOUS

21 APPROPRIATIONS

22 SEC. 411. (a) There is hereby authorized to be appro-
23 priated for each fiscal year for the purposes and administra-
24 tion of this Act such sums as the Congress may determine
25 to be necessary.

1 (b) Section 391 (c) of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby reenacted as section
3 411 (b) of this Act.

4 (c) All funds appropriated for carrying out the pro-
5 visions of this Act shall be available for allotment to bureaus
6 and offices of the Department, and for transfer to such other
7 agencies of the Federal Government, and to such State
8 agencies, as the Secretary may request to cooperate or assist
9 in carrying out the provisions of this Act.

10

ADMINISTRATIVE EXPENSES

11 SEC. 412. (a) The Secretary is authorized and directed
12 to make such expenditures as he deems necessary to carry
13 out the provisions of this Act and sections 7 to 17, inclusive,
14 of the Soil Conservation and Domestic Allotment Act, as
15 amended, including personal services and rents in the District
16 of Columbia and elsewhere; and employment of experts with-
17 out regard to the Classification Act of 1923, as amended.
18 The Secretary of the Treasury is authorized and directed upon
19 the request of the Secretary to establish one or more separate
20 appropriation accounts into which shall be transferred from
21 the respective funds available for the purposes of the several
22 Acts, in connection with which personnel or other facilities
23 of the Production and Marketing Administration of the De-
24 partment are utilized, proportionate amounts estimated by

1 the Secretary to be required by the Production and Marketing
2 Administration for administrative expenses in carrying out
3 or cooperating in carrying out any of the provisions of the
4 respective Acts.

5 (b) Section 392 (b) of the Agricultural Adjustment
6 Act of 1938, as amended, is further amended by (i) delet-
7 ing the first sentence thereof, and (ii) substituting, in the
8 next to the last sentence thereof, for the words "parity
9 payments, or loans," the words "or payments or loans made
10 under this Act"; and such provision as thus amended is
11 hereby reenacted as section 412 (b) of this Act.

12 UTILIZATION OF LOCAL AGENCIES

13 SEC. 413. Section 388 of the Agricultural Adjustment
14 Act of 1938, as amended, is hereby reenacted as section
15 413 of this Act.

16 PHOTOGRAPHIC REPRODUCTIONS AND MAPS

17 SEC. 414. Section 387 of the Agricultural Adjustment
18 Act of 1938, as amended, is hereby reenacted as section 414
19 of this Act.

20 REENACTMENT OF SECTION 301 OF THE AGRICULTURAL

21 ACT OF 1948

22 SEC. 415. Section 301 of title III, Agricultural Act of
23 1948, is hereby reenacted as section 415 of this Act.

1 ADJUSTMENTS IN FREIGHT RATES FOR FARM PRODUCTS

2 SEC. 416. Section 201 of the Agricultural Adjustment
3 Act of 1938, as amended, is hereby reenacted as section
4 416 of this Act.

5 NEW USES AND NEW MARKETS FOR FARM COMMODITIES

6 SEC. 417. Section 202 of the Agricultural Adjustment
7 Act of 1938, as amended, is amended by deleting subsec-
8 tions (d) and (f) thereof, redesigning subsection (e) as
9 subsection (d), and redesigning subsection (g) as subsec-
10 tion (e) ; and such section as thus amended is hereby reen-
11 acted as section 417 of this Act.

12 FINALITY OF DETERMINATIONS

13 SEC. 418. (a) A determination of the facts constituting
14 the basis for any payment under the Soil Conservation and
15 Domestic Allotment Act, as amended, or any loan, payment,
16 or other price support operation under the provisions of title
17 II of this Act, and a determination of the amount thereof
18 authorized to be made, when officially made in conformity
19 with the applicable regulations prescribed by the Secretary
20 or by the Commodity Credit Corporation, shall be final and
21 conclusive and shall not be reviewable by any other officer
22 or agency of the Government. In case any person who is
23 entitled to any such payment dies, becomes incompetent, or
24 disappears before receiving such payment, or is succeeded
25 by another who renders or completes the required perform-

1 ance, the payment shall, without regard to any other pro-
2 visions of law, be made as the Secretary may determine to
3 be fair and reasonable in all the circumstances and provided
4 by regulations.

5 PUBLIC CONTRACTS EXEMPTION

6 SEC. 419. The provisions of section 3741 of the Revised
7 Statutes (41 U. S. C., sec. 22) and sections 431 and 432
8 of title 18 of the United States Code (18 U. S. C., secs.
9 431, 432) shall not be applicable to loans or payments
10 made under title II of this Act.

11 SEPARABILITY

12 SEC. 420. If any provision of this Act, or any title,
13 subtitle, part, or section thereof, is declared unconstitutional
14 or the applicability thereof to any person, circumstance, com-
15 modity, or product is held invalid, the validity of the re-
16 mainder of this Act and the applicability thereof to other
17 persons, circumstances, commodities, or products, shall not
18 be affected thereby.

19 REPEAL OF PRIOR STATUTES AND SAVINGS CLAUSE

20 SEC. 421. (a) All the provisions of title III of the
21 Agricultural Adjustment Act of 1938, as amended, relating
22 to price support and the determination of parity prices and
23 parity of income, not reenacted by this Act are repealed as
24 of January 1, 1950: *Provided*, That such repeal shall not
25 affect rights or obligations arising under price support opera-

1 tions for any agricultural commodity the marketing year or
2 season for which commences prior to January 1, 1950.

3 (b) All provisions of titles II and III of the Agricul-
4 tural Adjustment Act of 1938, as amended, supplemented,
5 and modified, other than those referred to in subsection (a)
6 of this section and those not reenacted or expressly con-
7 tinued in effect by this Act, are repealed upon the effective
8 date of title III of this Act: *Provided*, That all such pro-
9 visions of law, including proclamations and regulations
10 issued thereunder in effect on the date of the enactment of
11 this Act, shall continue in full force and effect for purposes
12 of marketing quota programs heretofore established: *Pro-*
13 *vided further*, That with respect to violations of such pro-
14 visions and regulations, or to rights accrued, or liabilities
15 incurred thereunder prior to such repeal, such provisions shall
16 be deemed to be in full force and effect for the purpose of
17 sustaining any proper suit, action, or proceeding with respect
18 to any such violation, right, or liability.

19 (c) Except as otherwise provided in this Act, titles
20 II and III of the Agricultural Act of 1948 are repealed as
21 of the date of enactment of this Act.

A BILL

To stabilize farm income and farm prices of agricultural commodities; to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce; and for other purposes.

By Mr. THOMAS of Oklahoma

MAY 31 (legislative day, MAY 23), 1949

Read twice and referred to the Committee on
Agriculture and Forestry

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1949

Mr. PACE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Act of
4 1949".

5 SEC. 2. Section 301 (a) (1) of the Agricultural Ad-
6 justment Act of 1938, as amended, is amended to read as
7 follows:

8 “(1) (A) The term ‘income support standard’, as of
9 any date, means the average annual aggregate purchasing
10 power of cash receipts from all farm marketings, including
11 production payments made under section 302 of this title,

1 during a period consisting of the first ten of the preceding
2 twelve calendar years (except that during 1950, such period
3 shall consist of the calendar years 1939 through 1948, inclu-
4 sive) computed as follows: (i) Divide such cash receipts for
5 each of such ten years by the parity index for such year;
6 (ii) add the amount obtained under (i) above for each of
7 the ten years and divide by ten; (iii) multiply the amount
8 obtained under (ii) above by the most recent parity index.

9 “(B) The term ‘parity index’, as of any date, means
10 the ratio of (i) the general level of prices for articles and
11 services that farmers buy, interest on farm indebtedness
12 secured by farm real estate, and taxes on farm real estate, for
13 the calendar month ending last before such date to (ii) the
14 general level of such prices, interest, and taxes during a
15 period consisting of the first ten of the last preceding twelve
16 calendar years (except that during 1950, such period shall
17 consist of the calendar years 1939 through 1948, inclusive).
18 The parity index for any year shall be the simple average
19 of the twelve monthly parity indexes computed for such
20 year.

21 “(C) The term ‘parity price’ for each agricultural com-
22 modity means a price computed as follows: Multiply the
23 average of the prices received by farmers (including any
24 production payments made under section 302 of this title)
25 for the commodity for each of the ten immediately pre-

1 ceding calendar years, or for each marketing season beginning
2 in such period if the Secretary determines that use of a
3 calendar year basis is impracticable, by the ratio of (i) the
4 current income support standard to (ii) the actual aver-
5 age level of cash receipts from farm marketings, including
6 production payments made under section 302 of this title,
7 during the ten immediately preceding years.

8 “(D) The standards, prices, and indexes provided for
9 herein, and the data used in computing them, shall be deter-
10 mined by the Secretary, whose determination shall be final
11 and conclusive.”

12 SEC. 3. Section 302 of the Agricultural Adjustment Act
13 of 1938, as amended, is amended to read as follows:

14 “SEC. 302. (a) The Secretary, through the Commodity
15 Credit Corporation and other means available to him is
16 authorized to support prices of agricultural commodities to
17 producers through loans, purchases, and other operations.
18 In addition, the Secretary is authorized at any one time to
19 support the prices of not more than three agricultural com-
20 modities to producers thereof through production payments
21 alone, or in combination with other types of price support,
22 if he determines that the use of production payments
23 is the most effective and practicable method of pro-
24 viding price support, and that the use of production payments
25 will not substantially reduce the market price of, or the de-

1 mand for, any other agricultural commodity. Such three
2 agricultural commodities shall not include milk, butterfat,
3 or any commodity (other than shorn wool) which can be
4 stored without excessive loss or cost. Except as otherwise
5 provided in this section, the type, amount, terms and condi-
6 tions of price support operations, and the extent to which
7 such operations are carried out, shall be determined by the
8 Secretary.

✓ 9 “(b) Price support shall be made available to the pro-
10 ducers of corn, cotton, wheat, tobacco, rice, peanuts, hogs,
11 milk, butterfat, and shorn wool (including mohair), at levels
12 equal to the parity price for each of such commodi-
13 ties. If acreage allotments or marketing quotas are in effect,
14 the price support level for corn for producers outside the
15 commercial corn-producing area shall be 75 per centum of
16 the level at which the price of corn is supported in the com-
17 mercial corn-producing area. Notwithstanding the foregoing
18 provisions of this section, if the Secretary determines that
19 the parity prices for corn, wheat, milk, butterfat, and
20 hogs are not in such proper relation as to permit the
21 maintenance of desirable feed ratios, the levels at which such
22 commodities are to be supported may be adjusted by not
23 more than 10 per centum on any such commodity to levels
24 which the Secretary determines will reflect desirable feed
25 ratios.

1 “(c) Price support shall be made available to the
2 producers of cottonseed and of agricultural commodities
3 (other than those specified in subsection (b) of this section)
4 for which the Secretary by public announcement pursuant to
5 the Act of July 1, 1941, as amended (55 Stat. 498), re-
6 quested an expansion of production, at levels not in excess of
7 the parity price, taking into account the following factors:
8 (1) The supply of the commodity in relation to the demand
9 therefor; (2) the price levels at which other commodities
10 are being supported, including the feeding values of other
11 grains in relation to corn; (3) the perishability of the com-
12 modity; (4) the ability to dispose of stocks acquired through
13 a price support operation; (5) the need for offsetting tem-
14 porary losses of export markets; and (6) the ability and
15 willingness of producers to keep marketings and supplies in
16 line with demand.

17 “(d) It is hereby declared to be the policy of Congress
18 that the price support operations of the Department of
19 Agriculture or any instrumentality or agency under the
20 supervision or direction of the Secretary with respect to
21 agricultural commodities (other than those required to be
22 supported by subsections (b) and (c) of this section)
23 shall be carried out so as to bring the prices received by the
24 producers of such commodities into a fair and comparable
25 relationship with the prices received by producers of other

1 agricultural commodities taking into account the avail-
2 ability of funds and the factors enumerated in subsection
3 (c) hereof.

4 “(e) The levels of price support provided herein shall
5 be based upon the parity prices for the respective
6 commodities, computed as of the beginning of the marketing
7 year or season, in the case of those commodities marketed
8 on a marketing year or seasonal basis, and as of January 1,
9 in the case of commodities not so marketed (the parity price
10 as of July 1 may be used for the last six months of the
11 year, in the latter case, if the Secretary so determines).

12 “(f) If producers have disapproved marketing quotas
13 with respect to any agricultural commodity in a referendum
14 held with respect to such quotas no price support opera-
15 tions shall be undertaken with respect to the crop of the
16 commodity to which the marketing quotas would have been
17 applicable: *Provided*, That the disapproval of marketing
18 quotas in any one referendum shall not prohibit price sup-
19 port operations with respect to more than one crop of the
20 commodity. The Secretary may also require, as a condi-
21 tion to undertaking a price support operation for any agri-
22 cultural commodity, that appropriate marketing orders under
23 the Agricultural Marketing Agreement Act of 1937, as
24 amended, be in effect for the commodity in applicable re-

1 gional production or marketing areas prescribed by the
2 Secretary.

3 “(g) Nothing in this section shall prevent the an-
4 nouncement of the level of price support for any agricul-
5 tural commodity in advance of the beginning of the mar-
6 keting year or season (January 1 or July 1 in the case of
7 commodities not marketed on a marketing year or season
8 basis) if the level of price support so announced does not
9 exceed the estimated parity price, based upon the latest
10 information and statistics available to the Secretary when
11 such level of price support is announced, and the level of
12 price support so announced shall not be reduced if the
13 parity price, when determined, is less than the level so
14 announced.

15 “(h) Notwithstanding any other provision of this sec-
16 tion, price support for any agricultural commodity at a level
17 in excess of the parity price for such commodity may
18 be undertaken whenever it is determined by the Secre-
19 tary, and public notice given thereof, that price support at
20 such increased level is necessary in order to increase or
21 maintain the production of such commodity in the national
22 interest.

23 “(i) In carrying out the provisions of this section, com-
24 pliance by the producer with acreage allotments, production

1 goals, and marketing practices (including marketing quotas
2 when otherwise authorized by law), as prescribed by the
3 Secretary may be required as a condition of eligibility for
4 price support. If acreage allotments are in effect for any
5 commodity, the Secretary shall prescribe, as a minimum
6 condition of eligibility for price support, that the producer
7 shall not have knowingly overplanted such acreage allotment.

8 “(j) Appropriate adjustments may be made in the
9 support price for any commodity for differences in grade,
10 type, location, and other factors, except that the support
11 price for milk shall be adjusted so that milk used in the
12 manufacture of dairy products shall be supported at not less
13 than $88\frac{1}{2}$ per centum of the parity price for whole milk,
14 subject to the feed ratio adjustment authorized in subsection
15 (b) of this section, and in the case of cotton, the standard
16 grade for purposes of price support shall be middling seven-
17 eights-inch cotton.

18 (k) No producer shall be personally liable for any
19 deficiency arising from the sale of collateral securing any
20 loan under this section unless such loan was obtained through
21 fraudulent representations by the producer. This provision
22 shall not, however, be construed to prevent the Secretary
23 from requiring producers to assume liability for deficiencies
24 in the grade, quality or quantity of commodities stored on
25 the farm or delivered by them, for failure properly to care

1 for and preserve commodities, or for failure or refusal to
2 deliver commodities in accordance with the requirements
3 of the program.

4 “(l) If the price of any agricultural commodity is sup-
5 ported by production payments (as authorized in section
6 302 (a) hereof), the Secretary may determine the rate or
7 rates of payment annually, or periodically, on the basis of
8 the amount by which the estimated average price to pro-
9 ducers of the commodity nationally, or in such areas as the
10 Secretary may determine, for the period to which the rate
11 relates is less than the level of price support therefor; and
12 such rate or rates may be adjusted by the Secretary, for
13 differences in grade, type, location, and other factors, if he
14 determines that such adjustments are practicable and essen-
15 tial to the effective operation of the price support program
16 for such commodity. Production payments shall, so far as
17 practicable, be limited to the quantities of the commodity
18 marketed by the producer. Production payments need not
19 be made with respect to any commodity or any producer
20 thereof if the Secretary determines that the total amount
21 of production payments which would be made to the pro-
22 ducers of the commodity is too small to justify the adminis-
23 trative cost of making such payments.

24 “(m) The Commodity Credit Corporation shall not sell
25 any farm commodity owned or controlled by it at less than

1 the current price support level for such commodity plus an
2 allowance for approximate carrying charges, except that
3 the foregoing restrictions shall not apply to (1) sales for
4 new or byproduct uses; (2) sales of peanuts for the ex-
5 traction of oil; (3) sales for seed or feed if such sales will
6 not substantially impair any price support program; (4)
7 sales of commodities which have substantially deteriorated
8 in quality or of commodities where there is a danger of loss
9 or waste through spoilage; (5) sales for the purpose of
10 establishing claims arising out of contract or against persons
11 who have committed fraud, misrepresentation, or other
12 wrongful act with respect to the commodities; (6) sales for
13 export; (7) sales of wool (including mohair); and (8)
14 sales for other than primary uses.

15 “(n) The Secretary, in carrying out programs with
16 respect to any agricultural commodity under section 32 of
17 the Public Law Numbered 320, Seventy-fourth Congress,
18 approved August 24, 1935, as amended, and section 6 of
19 the National School Lunch Act, may utilize the services and
20 facilities of the Commodity Credit Corporation (including
21 but not limited to procurement by contract) and make ad-
22 vance payments to it.

23 “(o) Notwithstanding any of the provisions of this Act,
24 section 2 of the Act of July 28, 1945 (59 Stat. 506), shall
25 continue in effect.”

1 SEC. 4. Section 8 (a), as amended, of the Soil Conser-
2 vation and Domestic Allotment Act is amended (a) by strik-
3 ing out "January 1, 1951" wherever appearing therein and
4 inserting in lieu thereof "January 1, 1953", and (b) by
5 striking out "December 31, 1950" and inserting in lieu
6 thereof "December 31, 1952".

7 SEC. 5. Section 32, as amended, of the Act entitled
8 "An Act to amend the Agricultural Adjustment Act and for
9 other purposes", approved August 24, 1935 (7 U. S. C.,
10 1946 edition, sec. 612c), is amended by adding at the
11 end thereof the following: "The sums appropriated under
12 this section shall, notwithstanding the provisions of any
13 other law, continue to remain available for the purposes
14 of this section until expended; but any excess of the amount
15 remaining unexpended at the end of any fiscal year over
16 \$300,000,000 shall, in the same manner as though it had
17 been appropriated for the service of such fiscal year, be sub-
18 ject to the provisions of section 3690 of the Revised Statutes
19 (31 U. S. C., 1946 edition, sec. 712), and section 5 of
20 the Act entitled 'An Act making appropriations for the leg-
21 islative, executive, and judicial expenses of the Government
22 for the year ending June thirtieth, eighteen hundred and
23 seventy-five, and for other purposes' (31 U. S. C., 1946
24 edition, sec. 713)."

25 SEC. 6. Section 4 of the Act of March 8, 1938, as

1 amended (15 U. S. C., 1946 edition, 713a-4), is amended
2 by substituting a colon for the period at the end of the next
3 to the last sentence thereof and adding the following: "*Pro-*
4 *vided*, That the foregoing shall not limit the authority of the
5 Corporation to issue obligations for the purpose of carrying
6 out its annual budget programs submitted to and approved
7 by the Congress pursuant to the Government Corporation
8 Control Act (31 U. S. C., 1946 edition, sec. 841)."

9 SEC. 7. All references in other laws to parity, parity
10 prices, prices comparable to parity, or prices determined in
11 the same manner as provided by the Agricultural Adjust-
12 ment Act of 1938, for the determination of parity prices,
13 shall, after January 1, 1950, be deemed to refer to the
14 parity prices for such commodities determined in ac-
15 cordance with the provisions of section 301 (a) (1)
16 of the Agricultural Adjustment Act of 1938, as amended by
17 this Act: *Provided*, That any marketing agreement or
18 marketing order, including any regulation issued thereunder,
19 in effect under the Agricultural Adjustment Act of 1933,
20 as amended, or the Agricultural Marketing Agreement Act
21 of 1937, as amended, on December 31, 1949, shall continue
22 in effect without the necessity for any amendatory action
23 relative thereto, and all terms and provisions of such agree-
24 ments, orders, and regulations are hereby expressly ratified,
25 validated, and confirmed.

1 SEC. 8. Titles II and III of the Agricultural Act of 1948
2 are repealed.

3 SEC. 9. This Act shall become effective on January 1,
4 1950, except that sections 6 and 8 shall take effect on the
5 date of the enactment of this Act. No provision of this Act
6 shall affect price support operations or announcements thereof
7 with respect to any agricultural commodity the marketing
8 year or season for which commenced prior to January 1,
9 1950.

81ST CONGRESS
1ST Session

H. R. 5345

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. PACE

JUNE 27, 1949

Referred to the Committee on Agriculture

AGRICULTURAL ACT OF 1949

JULY 7, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 5345]

The Committee on Agriculture, to whom was referred the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

A copy of the bill is hereto appended, marked "Exhibit A."

Titles II and III of the Agricultural Act of 1948 (the Aiken Act) are hereto appended, marked "Exhibit B."

STATEMENT

Almost continuously during the past 2 years the Committee on Agriculture has carried on investigations and studies and conducted hearings with regard to a sound program for agriculture for the future. During the present session of the Congress these hearings started in January and are still in progress. We have heard from farmers in every part of the country, producing crops of every kind, character, and description. We have also given careful attention to the views and recommendations of every other type or class of business—those who prepare the crops for markets, those who haul or transport the crops, the processors, the bankers, the brokers, the workers in the processing plants, and, in good number, the housewives and wage earners who provide the market for the products of the farm.

From all this the committee has become convinced, among other things, that no single plan, no one method of supporting prices, no one program for producing enough but not too much, can bring about the desired results of assuring producers a fair return for their labor and investment and all the people abundant food at reasonable

prices. There are so many kinds of farms, there are so many different commodities produced, and there are so many kinds of markets and middlemen, that several plans and programs should be made available. And those who work in the sun in the fields, those who produce the crops, should have some choice of the program they work under. Several methods of supporting prices should be authorized. Different plans for keeping production within reasonable limits should be provided.

For example, the only methods now authorized by law for supporting prices is through loans or purchases. Sometimes, with potatoes, for example, loans cannot be used and purchases have proved to be impracticable or too expensive. That is the reason why, in this bill, the committee has provided for an experimental program or trial of the use of production payments—to find out the things no man can tell us: (1) The probable cost, (2) the administrative problems and difficulties, and (3) whether in fact the consumers—the people who must provide the funds for these payments—will receive benefits in keeping with the costs.

On the other hand, for keeping production in line with need and demand, the law now authorizes only (1) acreage controls, (2) marketing quotas, and (3) marketing agreements and orders, and each of these is limited to only a few commodities. Before the end of this Congress the committee plans to give consideration to legislation to authorize a two-price or domestic allotment plan, a price-support insurance plan, a greatly expanded marketing agreement act, and other measures to complete a sound, safe, and sensible farm program.

THE BILL

The bill recommended by the committee does three major things: (1) It provides a new and modernized method for the calculation of parity, to be known as the income-support standard;

(2) It continues to provide price support for agricultural commodities at about the present levels;

(3) It authorizes the Secretary of Agriculture to make a test or trial, on three commodities, of the production payment method of supporting prices. With the exception of shorn wool, these commodities must be perishable, nonstorable. Wool was authorized as one of three in order that domestic wool may move into domestic consumption in competition with foreign wool.

It should be added that, before employing the production payment plan with respect to any commodity the Secretary must find and determine—

(1) That production payments are the most effective and practicable method of providing price support;

(2) That the use of production payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity;

(3) That the Congress has approved the annual budget programs setting up funds for such payments.

Later in this report will be found a section-by-section analysis of the bill, explaining in detail the other provisions.

THE ISSUE

This bill presents an issue which the Congress should settle before adjournment. It is one of the most important issues ever to face the farmers of the Nation, and, judging from the testimony presented to the committee, they await with serious concern the outcome.

The issue is: Will the type of program set out in this bill become effective on January 1, 1950, or will the Agricultural Act of 1948 (commonly and hereinafter referred to as the Aiken Act) become effective on that date?

In deciding that issue the Congress must determine—

(1) *Unrestricted direct payments.*—Will the Secretary of Agriculture be given general, unlimited, unrestricted, and unrestrained authority to use the production payment method in supporting prices?

The Aiken Act, section 202 (a), provides as follows:

The Secretary, through the Commodity Credit Corporation and other means available to him, is authorized to support prices of agricultural commodities to producers through loans, purchases, payments, and other operations.

Hon. Carroll Hunter, Solicitor of the Department of Agriculture, testified as follows before the committee:

The Aiken bill provides a wider choice of the means of price support, since it authorizes the Department to support the price of agricultural commodities to producers through loans, purchases, payments, and other operations, thus expressly recognizing that it is possible to extend price support to producers by means of direct payments to the producers, a type of operation which the Department has not yet undertaken for price-support purposes.

Unlike the bill which the committee now recommends, the Aiken Act does not place any restrictions, conditions, or limitations on the authority of the Secretary of Agriculture in the use of production payments. That act does not provide (as does the committee bill) that payments may be used on only three commodities at one time; nor that (except as to shorn wool) those three must be perishable, non-storable commodities; nor that before using payments the Secretary must find that the use of payments is the most effective and practicable method of providing price support; nor that the use of payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity.

None of these conditions and limitations, nor any other, are placed on the Secretary in the Aiken Act. He is left fancy-free and all he needs is the money. He can use payments on the basic commodities—even on cotton, which can be stored without damage for 50 years. He could use the payment plan on wheat, and thereby wreck the price of corn, oats, and barley. He could use it on soybeans, and wreck the price of lard, cottonseed, flax, and other commodities.

Under the Aiken Act the Secretary could use the payment plan with no limitation on costs. The committee bill requires the Secretary, before using the payment plan on not more than three commodities, to find that it is the most practicable method of providing price support. This certainly means that he must judge the cost of the payment method as compared with the cost of supporting prices by loans or purchases, and to find that it will not reduce the demand for or the price of any other agricultural commodity. The latter finding is designed to afford protection for competing commodities which do not receive similar support.

The committee does not intend to indicate to the slightest extent that Secretary Brannan would use the broad and unlimited authority given him in the Aiken Act without regard to costs or without careful and sound selection of the commodities. But who knows how long he wishes to serve as Secretary of Agriculture or who his successor will be?

The Aiken Act, in granting this unlimited authority for the use of the payment plan, authorizes the Secretary to establish a support price for a commodity, or any number of commodities, to make no effort to maintain the market price at the support level, to let the market price break to any level established by supply and demand, and then pay the producers the difference between the price they get in the market and the support price. But in granting this authority the Aiken Act does not contain one word as to how these payments shall be determined, limited, and paid. The committee bill attempts to do this in section 302 (1), page 9.

And, it must be added, in granting this unlimited authority to the Secretary to use the payment plan on an unlimited number of commodities, the Aiken Act does not contain one word of assurance to the consumers, to the housewives, to the wage earners, or to all the others who through taxes must provide the payment money, that they will be able to buy their food more cheaply in the market place. The millions or billions for payments could result in only more profits for the middleman, in an even greater spread between the farm and the table. The fact that reduced market prices at the farm level do not necessarily mean lower prices to the consumer is illustrated by the drop in the farm price of wheat by more than one-third since January 1948. In spite of this, the price of bread remains near an all-time high.

Neither does H. R. 5345 contain any assurance in this respect and that is one of the reasons why the committee has limited the use of the payment plan to an experimental basis on three commodities—that it may be determined whether, in fact, the consumers, as well as the farmers receive benefits in keeping with the cost and what the cost will be.

(2) *Control through bankruptcy.*—Secondly, in determining that issue, the Congress must decide whether it wishes to permit a law to go into effect (the Aiken Act) which may be used to control the production of agricultural commodities through the means of bankruptcy.

One theory of the Aiken Act is that you can drive the farmer out of the production of a surplus commodity by reducing his price, to as low as 60 percent of the parity price, which will not cover his cost of production and will force him into bankruptcy should he persist in the production of such commodity.

Another theory of the Aiken Act is that the lower the price the less the farmer will produce. And a third theory is that by reducing the price you can force a shift from the production of a surplus commodity into the production of some other commodity in short supply.

The committee is ready to admit that there is reasonable basis for the first theory, that is, that you can reduce the price of farm products to the point where the return will not cover the cost of production, will not provide the farmer with the funds to support his family and pay his bills, and will take the farmer out of production by causing him to lose his farm. But the committee submits that this would be a cruel and inhuman way to control production.

The committee considers the second theory as being without merit. The records show that there is no certainty of a decrease in production when prices go down, and this is one of the great fallacies of the "low-price" policy. Specific examples in the case of potatoes and wheat are cited later in this report.

There is good reason why a farmer cannot reduce production when the price he receives goes down and in fact he is often required to produce even more. He still must meet the payments on his mortgage, support his family, educate his children, pay his doctor, pay his taxes, and meet his operating expenses. If he receives less per bushel or per pound, certainly he must produce more bushels and more pounds to meet the same obligations.

The third theory of the Aiken Act—of forcing shifts in production by the starving-out process—is also false. Suddenly shifting from one crop to another is impractical, if not impossible. Where is the farmer to get the money to buy a new outfit of planting, cultivating, and harvesting implements and machines? Where is he to get the labor that is trained for the production of a new crop? Where is he to get the land adapted to this new crop, the know-how, the weather, etc.? It was mentioned to the committee that Minnesota shifted out of wheat, but it was recalled that it required 40 years to do so. It is feared that those advancing this theory were influenced by conditions on the farms operated by some of our great agricultural colleges, where they have an ample supply of every kind of farm implement and machine and a full staff of trained experts—where shifts and experiments are routine. The average farmer is not so equipped and his capabilities should not be measured by any such test.

(3) *Forward pricing*.—Thirdly, in determining the issue the Congress must decide whether producers should be told before planting time what the support level will be or must wait until harvest time to find out.

The committee believes the farmer is entitled to know before he plants whether the commodity will have a support price and what the level of support will be. How otherwise can he plant intelligently?

Under the Aiken Act there is no provision requiring forward pricing or the announcement of the level of support before planting time. Under that act the support price level for the basic commodities is to be determined by the supply of the commodity, to be estimated after the crop is mature and ready for harvest and then—let us repeat—and then, if the total supply shows a surplus, the farmer, by the use of some magic wand, is expected to shift or change the crop in the field ready for harvest, into some other crop which may be in short supply.

The committee feels strongly that if the price of a commodity is to be supported, the producers are entitled to know it and to know at what level the support will be, before they plant or complete their plans.

Producers will have this information under the provisions of H. R. 5345. The support level for the ten commodities listed in section 302 (b), page 4, is fixed by law and producers will know what it is before making their plans, subject only to such slight change as may result from adjustment in the parity index between planting time and the beginning of the marketing period. Not only will such change be small, but it will not operate to the disadvantage of the producer, for if the parity price should drop slightly it will mean that the

farmer's cost of producing and living will have gone down correspondingly.

As to the other commodities, covered by subsections 302 (c) and (d) of H. R. 5345, there is express authority in subsection (g) for advance announcement of the level of price support and a prohibition against any reduction thereof after it is announced.

(4) *Limited scope.*—The fourth decision the Congress must make in determining this issue is whether only certain groups of producers, only those producing a few selected commodities, are entitled to the benefit of price support.

Section 302 (b) of the Aiken Act provides support prices on a flexible basis, ranging from 60 to 90 percent of parity, on the six basic commodities, except tobacco.

The same section, paragraph 5, provides a support price for tobacco at 90 percent of parity, regardless of the supply, when marketing quotas are in effect. Section 302 (c) provides supports at from 60 to 90 percent of parity for wool and Irish potatoes. That makes a total of eight commodities receiving mandatory price support.

Section 302 (c) authorizes support prices from zero to 90 percent of parity for all the remaining 250 to 300 commodities, the level of support to be determined by the Secretary of Agriculture after giving consideration to eight factors set out in section 302 (a).

Then section 302 (c) states:

The Commodity Credit Corporation shall not carry out any operation to support the price of any nonbasic agricultural commodity (other than Irish potatoes) which is so perishable in nature as not to be reasonably storable without excessive loss or excessive cost.

Three exceptions to this prohibition are authorized, (1) section 32 funds may be used in supporting the price of such perishable commodities in carrying out section 32 programs; (2) the Commodity Credit Corporation may support the price of any nonbasic perishable agricultural commodity by loan, purchase, payment, or other operation undertaken with respect to a storable commodity processed from any such perishable commodity; and, (3) funds in the reserve for post-war price support of agriculture established pursuant to the First Supplemental Appropriation Recession Act of 1946 may be used under certain circumstances.

These exceptions are not too important. There are many demands on uses of section 32 funds, and, in addition, the law now provides that not more than 25 percent of such funds can be expended on any one commodity. Then, trying to support the price of canned or other processed form of a perishable commodity can prove to be most expensive and ineffective. For example, cattle could be supported by supporting the price of the limited quantity of canned beef; possibly cured hams could be bought, probably butter, but not milk.

The real effect of this prohibition is to limit supports to nonperishable storable commodities. This leaves hogs, cattle, dairy products, fruits, vegetables, and many other important commodities, with very little if any support.

(5) *Stable economy.*—And, finally, the big question the Congress must pass upon in deciding the issue is whether it will try to ensure favorable economic conditions throughout the Nation by maintaining agriculture on a sound, stable, and prosperous basis.

The record shows that agriculture leads the way—up or down. This is due to the great consumer demand of the farm people and their potential buying power. Their income and standard of living on the average is much below that of other segments of the population. They are ready and anxious to buy the products of the manufacturing and industrial plants if they have the income. The American farmers are the greatest market in the world.

The farmers have come to realize the interdependence and community of interest between themselves and the wage earners in the towns and cities. They know that the reason they couldn't sell their commodities in 1932 was because there wasn't anybody in town with money to buy. They understand that the best assurance for prosperous conditions for themselves is steady, full employment at good wages for the workers in the towns and cities. They have supported and will continue to support the measures needed to maintain those conditions.

But they also understand that those working in manufacturing industries cannot receive good wages nor keep a job very long unless farmers have the money with which to buy after paying their production costs.

The committee shares these views and this understanding, and is convinced that without a prosperous and stable agriculture there cannot be a prosperous nation; that without a stable and prosperous agriculture good jobs and good wages will soon be gone; that without a stable and prosperous agriculture the economic and financial stability of the Nation is in danger; and that a serious break in farm prices will throw the Nation into a serious depression.

The committee is convinced that any farm program put into effect by the Congress should ensure as nearly as possible stable and prosperous conditions on the farms of the Nation.

Being of this belief, the committee feels obligated to report that the Aiken Act does not provide a farm program which will insure prosperous conditions on the farms, but that it will, on the contrary, break farm prices, seriously impair the income of farm people, retard conservation of the soil, endanger the economic welfare and financial security of the Nation, and should not be permitted to go into effect on the first of next January.

The bill (H. R. 5345) amends the Agricultural Adjustment Act of 1938, as amended, to provide a new and modern formula for the calculation of parity and to make price supports available to the producers of agricultural commodities. Parity prices are those prices calculated to provide gross cash income from marketings of farm products necessary to make current purchasing power of cash receipts from marketings of farm products equal to the average cash receipts for a recent 10-year period.

The bill provides for mandatory support at parity prices for corn, cotton, wheat, rice, peanuts, tobacco, hogs, milk, butterfat and shorn wool (including mohair). It further provides for mandatory price support for the so-called Steagall commodities and cottonseed at not more than the parity price, and gives the Secretary authority to support the price of all other agricultural commodities. It declares the policy of Congress that prices of these other agricultural commodities be supported so as to bring the prices received by producers into a fair and comparable relationship with the prices received by

producers of other agricultural commodities, taking into account the availability of funds and other factors.

IMPORTANCE OF A SOUND PRICE-SUPPORT PROGRAM

Agriculture is a vital part of our national economy. Every other element involved in the prosperity of the Nation is affected by what takes place on the farms of this country and in the market places where the products from these farms are sold. A sound agriculture is basic to our system of free enterprise and to our economic welfare. We are dependent on agriculture for our very existence. Its products feed the Nation and provide industry with necessary raw materials. Maintenance of a permanently healthy and productive agriculture is in the interests of all the people of this country. This is recognized as established national policy under which price supports have been authorized by the Congress as the main device for helping farmers achieve a reasonably stable income at a level fair both to farmers and nonfarmers. In the absence of a better means by which farmers can accomplish this objective, price supports must remain an integral part of our program for agriculture; otherwise our entire national economy will suffer.

The real function of farm commodity price supports is to maintain the income of farmers at a level below which it is not in their interest or in the interest of other economic groups to permit returns from agricultural production to fall. Time and again this country has seen what happens to our entire economy when there is a collapse in farm income. Whenever the farmer receives a fair return from his labors, he is a good customer for our towns and cities. His readiness to buy means millions of jobs in business and industry throughout the Nation. But when his income drops, the farmer is forced to retrench and the effects of this are immediately reflected in a reduced flow of goods to the Nation's rural communities with resulting unemployment throughout our whole economy. Thus the elements of a major depression are set into motion.

This country cannot afford any unnecessary risk of depression. With the national debt above \$250,000,000,000, the Nation has little choice but to maintain high employment and a high level of income. Otherwise, the burden of servicing that debt can become unbearable if not impossible. The Council of Economic Advisers to the President said in its December 31, 1948, report:

A debt of \$250,000,000,000 determines some aspects of every economic policy and comes into the analysis of every economic problem * * * it would be reckless to create uneasiness about the national credit and disorder in financial markets at a time when the Nation must support a vast public debt.

The sheer necessity of servicing this debt requires the maintenance of income and employment at a prosperous level. We cannot overlook the importance of the maintenance of a high level of farm prices and farm income to a proper management of the public debt.

We must cope with the problems now in sight. It is the time for positive action—the kind of action so urgently needed now to prevent any sharp reduction from present high employment and high income levels.

Agricultural prices were the first to move downward from the war-born peak. In June of this year, farm prices were 18 percent lower

than they were at the beginning of 1948, while prices paid by farmers were down only a little more than 2 percent from the peak reached last summer. The buying power of the Nation's farmers turned downward in 1948 and is now at the lowest point in 7 years.

As Secretary Brannan stated to the committee:

Price supports are the farmers' equivalent of the laboring man's minimum wage, social security, and collective-bargaining arrangements.

He could well have added that as long as industry enjoys the protection of laws forcing the farmer to buy in a protected market, the farmers should be given the protection and security of price supports. He could have mentioned the fact that Congress is appropriating \$328,393,000 for the fiscal year 1950, has appropriated annually hundreds of millions in the years past, and will appropriate increased millions in the future, to give over 2,000,000 Government employees the security and protection of retirement pensions.

He could have referred to the \$1,058,000,000 for 1950 appropriated by Congress this session as a contribution to workers and others under our social security laws.

He could have pointed out the millions appropriated each session of Congress to subsidize our shipowners, our air lines, our newspapers, our mail-order concerns, and others.

All of these benefits and subsidies go to men and women who produce little but eat the food produced on the farms of the Nation. Then can it be wrong to give some protection to the men and women who work in the sun, who labor on the farms and ranches and produce the food to sustain the remainder of our population?

Unless the Congress takes positive action to deal effectively with the price and income problem now confronting our farmers, history will repeat. In the 1920's we thought our national economy was getting along fine but overlooked the fact that agricultural prices were slipping. The result was the greatest depression this country ever had. We must not repeat that experience. We cannot afford it.

Our agricultural industry came out of the war with the greatest capacity to produce the world has ever known. It supplied the food needed by ourselves and our allies to win the war. When the shooting stopped, it kept us here at home well fed and furnished unprecedented quantities of food and other essentials desperately needed to help bring half the world back on its feet. As agricultural production is restored in other parts of the world, the extraordinary foreign demand for our farm products diminishes. Already our farmers are being confronted with the necessity of changing their pattern of production in order to avoid surpluses. They need to bring about a balanced agriculture in keeping with good business and farming practices. The accomplishment of these objectives is not solely the concern of farmers. It is vital to the future well-being of the rest of our population.

Considering the time and investment needed to make the desired shifts, our farmers cannot afford to take the necessary risks without some reasonable assurances that they will not suffer unduly in the process. Fortunately, through the last two decades we have laid a firm foundation and have gained much good experience. We can now act on this to provide the kind of incentives and assurances that our farmers must have to serve both their own and the national interest.

Our greatest natural resource is the fertility of our soil. We have been told that with another 50 to 100 years of soil depletion like that

we have suffered during the last 100 years, we would not be able to feed our own people. We must build and preserve our fertile farm land at any cost. We are told of the need of stock piling strategic materials, including food and fiber, for time of war or other great emergency. There is a very definite limit to storing farm commodities, due to the cost, the inadequacy of storage, the loss from damage and deterioration and the price depressing effect. But there is one thing we can store, with equal effect, and that is the fertility of our soil. It will then be ready to produce almost without limit in the hour of need.

But it takes money—lots of it—to build and preserve the rich topsoil.

The Government alone cannot pay such a cost. It can contribute only a small part. The principal cost, in labor, time, machines, and materials must be borne by the farmers themselves. But they cannot do it, and they will not do it, unless the price they receive for the commodities they produce is adequate to pay the cost of production, living expenses, and the cost of soil building and conservation. When the people, through their Government, protect the farmer's returns to this extent they are serving their own best interest and their future welfare and security.

WHAT IS REQUIRED OF A PROGRAM

In his testimony before the committee Secretary Brannan ably presented the requirements of a farm production and stabilization program. His views are so much in accord with those of the committee that we quote as follows from his statement:

First. The program must effectively serve the farmer and his family. As an isolated individual, the farmer has no control over the prices he will receive, and no adequate way of adjusting the total market volume of his commodities to changing demand. After he has planted a crop, he is at the mercy of weather, price, and many other forces with which he is powerless to cope. On many occasions in the past, he has labored all season and produced a good crop only to find that, because of circumstances beyond his control, his labor would go uncompensated and sometimes his cash investment in seed, fertilizer, and other operating costs would be only partially recovered. A program to help him meet those basic difficulties is the very minimum for which we should strive.

Second. In serving the farmer the program must not discriminate unfairly against any group. It should be fair to consumers and to processors, shippers, wholesalers, retailers, and others in the distribution system. There is no real conflict between farmers and either consumers or business people. The customers of agriculture want plentiful and steady supplies, and they have a right to expect that a program supported by the public will help meet this need. Farmers want to furnish plentiful supplies regularly.

Third. The program must be efficiently operated and the cost must be commensurate with the benefits to the Nation.

Fourth. It must serve general policy objectives, including national security, the maintenance of high-level employment, and cooperation with other nations in the interests of peace and prosperity. It can do this by conserving and strengthening our basic productive resources, providing reserves against national emergencies, and encouraging free-flowing world trade by reasonably assuring sufficient products for export.

In short, the farm program must serve the best interests of all our people, and in my opinion that is the only kind of program the farm people want or expect.

Unfortunately, too many people still think of a farm program as some kind of class legislation. There is too little appreciation of the direct and definite ways in which it can benefit all the people and can help make this the kind of a country they want it to be.

Therefore, I want to list several ways in which we can expect an effective farm production and price-stabilization program to serve the interests of all the people

(1) *It can help prevent depression.*—Most depressions have been farm-led and farm-fed. Farm prices traditionally go down before, faster, and farther than other prices. On the down swing of the business cycle, farm people are the major early victims of a squeeze. As their income and, therefore, purchasing power is cut by low prices or production failure, industrial producers find a contracting market for their production. This throws workers out of jobs. They in turn spend less for farm products, which in turn further forces down farm prices, and farm purchasing power is further cut.

I don't mean to say that declines in farm prices are the sole cause of depressions, but they certainly contribute greatly and would do so, more now than in the past because agriculture has become a bigger customer of industry.

Farm-price supports cannot substitute for good markets that come with full employment and foreign demand, and, I believe, almost every farmer now understands the importance and relationship to farm prosperity of good wages for city and industrial workers. Supports are no substitute for city markets, but they can at least slow down declines in farm prices and provide stopping points so as to keep our fluid farm prices from going rapidly into a worse and worse relationship with nonfarm prices.

(2) *A farm-production and price-adjustment program can help build markets for industrial goods and help maintain employment for labor.*—Industry today is dependent on the farm market to a far greater degree than it has ever been.

Let me illustrate this fact by listing some of the manufactured equipment that is in use on one particular farm today and which has been purchased since the last depression. This happens to be a Michigan farm—not fancy—just a good family farm. Here's the list: A combine, a corn picker, a portable elevator, one additional tractor with equipment to go with it (including a disk, drill, and corn planter), a feed grinder, a pick-up truck, motor and pump assembly for pumping stock water, an electric pump and pressure tank for running water in the house, electric refrigerator, electric stove, and electric hot-water heater. Think of almost any good farm, and you can make a similar list.

Back in 1929 there were only 827,000 tractors on American farms. At this time last year there were 3,250,000. In 1929 we had about 37,000 combines. Last year we had 540,000. The number of corn pickers has jumped from less than 9,000 to more than 300,000. These are only a few examples.

In 1929 less than 600,000 farms were electrified. Today the figure is more than 4,000,000.

Altogether the American farmer has lately been a 30,000,000,000-dollar customer of American business.

Even so, rural people represent a vast untapped market for all sorts of goods. For example, half of the commercial-family farms in this country are small, and in this group only 22 out of 100 homes have running water. For most of the other family farms, the comparable rate is 38 per 100, and in the top group, 58 per 100 have running water.

Farm people want to buy industrial goods, but when their prices go down in relation to the prices they have to pay, they have to cut their buying. Again let me illustrate.

A farmer on Route 2, Defiance, Ohio, ordered a tractor last year priced at \$1,550. When it arrived at his dealer's, the price was \$1,950. His soybeans went down from \$3.47 in September to \$2.18 in March, and his corn went down in the same months from \$2 to \$1.23. He cancelled his tractor order.

A farmer who lives on Route 1, Crane Hill, Ala., ordered a tractor in 1945 at a price of \$1,500. It arrived last summer, priced at \$2,450. He felt uncertain at that time about the future of cotton prices and so, for the combination of reasons, turned down the tractor.

A farmer on Route 1, Gettysburg, Pa., fed 40 steers for 157 days and lost \$3,000. He gave up buying a hay baler worth \$2,150 and building a machine shed on which he had planned to spend \$1,000.

It is important to all of us to maintain balance between farm and industrial prices. A program that helps to stabilize farm prices and incomes will help to stabilize markets for factory goods and will keep thousands and thousands of "main streets" busy.

(3) *Stable farm prices and incomes encourage high-level production with the greatest assurance of reasonable prices to consumers.*—This is one of the most significant lessons from our wartime experience. With the cost-plus contracts and guarantees enjoyed by many industries, and with only reasonable price

protection, farmers quickly made great shifts in the use of their productive resources to meet war needs. They supplied civilians with a fourth to a third more milk and a fifth more meat than prewar while they were meeting the needs of the armed forces and also sending large amounts of food to our allies. Farmers, like manufacturers, want to produce what their customers want. But usually it is only with advance knowledge of minimum price that small individual producers, planning separately, can unify their efforts efficiently to increase the total supply of a particular commodity.

Furthermore, we know that American business depends on agriculture for raw materials, and business is starved if farm production goes down. About half of all the business done with United States consumers last year was based in one way or another on American farm commodities.

Price supports should be available at all times to assure the maintenance of this supply. If prices are allowed to remain too low too long farmers are unable to buy the machinery, fertilizer and other materials which they must have to maintain high-level production.

(4) *A program that helps maintain farm income helps to maintain agricultural resources.*—City people, just as much as farm people, are concerned with the problem of conservation. Our soil, water and forest resources must support a population that is still growing, and our objective is a higher standard of living for the people as a whole. Yet we are still losing productivity on hundreds of thousands of acres every year. Half of all our cropland is still subject to erosion. Obviously, conservation depends on something more than good farm prices. On the other hand, resources can be conserved and improved only if they are used profitably.

The depression taught us that hard times make poor farmers and poor land. Low prices force farmers to abandon their land conservation practices in an attempt to make up for lower price by increasing acreage to get a greater volume. For the short pull, they will be able to pile up bigger production with less outlay. But only a few seasons need pass before even production will be decreased. The low wheat prices of the depression brought increased plantings, at great cost in resources. The dust storms in the Great Plains, as well as gullies and floods elsewhere, gave dramatic evidence that surpluses and low prices can lead a nation to ruin.

Price supports can aid conservation in at least two ways: (a) By bringing additional stability into the farm business so that farm people can enjoy a good standard of living without mining their resources; and (b) by directly encouraging types of farming which naturally conserve resources.

It is generally believed that for the sake of keeping our resources permanently productive as well as to meet consumer needs, livestock production should be made a more important part of our agriculture. I agree with this. I also think the shift is not likely to take place as promptly and fully as necessary without the assistance of a well-adapted production and price adjustment program.

(5) *An effective farm program is essential to our national security, will provide a reservoir of goods which protects the Nation against crop failure, and will assure supplies for an even flow of world trade.*—Reserve supplies above ground and their counterpart—reserve strength in the soil—are essentials of national defense. A large livestock population is also reserve strength. Before the last war, when we had to convert our Nation quickly into an arsenal of democracy, we were extremely fortunate in having large reserves of grain and cotton. Without having to wait for another harvest, we were able to start converting grain into the high-protein foods that were sorely needed by our friends abroad. Plenty of cotton was available for war uses. Several years of intensive soil conservation effort had improved many acres of land which had suffered abuse.

Agriculture justly takes pride in the speed with which it converted to defense and war production. But agriculture is glad to share the credit with the people as a whole, for the storage and soil conservation programs were made possible by the general public—by a sharing of responsibility by farmers and the whole people. In terms of dollars alone, our prewar stocks proved to be a great investment.

Reserves also provide security against dangers other than those of war. Although we have never had a drought or other disaster that threatened us with famine or anything close to it, we have had shortages which severely disrupted our economy and caused a great deal of personal hardship. The results of the droughts of 1934 and 1936 are examples. Forced liquidation of livestock temporarily increased meat production and reduced prices, but in 1935 beef and veal production dropped 20 percent and pork production dropped 30 percent. There

were further reductions in 1937. It was not until 1942 that cattle numbers came back to the 1934 level.

A more recent example was the short corn crop of 1947. Farmers had already been selling meat animals faster than they were replacing them. The short crop speeded up the trend, resulting in shorter supplies and higher prices of meat. We are still feeling the effects. Reserves will help us maintain livestock production from year to year and help prevent extreme fluctuations in price.

Adequate reserves are essential for still other reasons. We believe that free-flowing world trade is necessary to world peace. To the extent that we can, we want to discourage the tendency of some of our sister nations and traditional good customers to return to nationalistic self-sufficiency with its artificial trade barriers and economic warfare. One means of doing so is to assure importing nations that they will have access to supplies they need year after year. That assurance on one commodity can be given through the pending International Wheat Agreement, and at the same time we and other exporters assure ourselves of regular markets. Wheat reserves will enable us to guarantee our commitments under the wheat agreement. Steady supplies of other export commodities can also be assured to importing nations by means of reserves.

It should also be remembered that a democracy with reserves and great productive power is a great comfort to nations fearing either famine or foreign aggression. Our practical ability to serve as a friend in need will determine how well we can meet our responsibilities of leadership—how well we can serve the cause of world peace and democracy.

Reserves of storable commodities are a natural adjunct of price supports. They are an aim as well as a result of the farm program. They represent an important part of the insurance which the public buys with the funds it invests in maintaining a healthy agriculture.

(6) *A price support program which safeguards our rural economic strength can help stabilize the rural community and help maintain individual opportunity in our free enterprise system.*—One bulwark of democracy may be found in the prosperous rural community mainly composed of economically strong families farming in the traditional American pattern. It is an ever-present answer to communism.

We should be aware that for many years there has been a steady increase in the number of large-scale, industrialized type of farming units. Many of these are absentee and corporate-owned. According to the 1945 census, about 100,000 of the largest units—fewer than 2 percent of all farms—are selling products valued at nearly one-fourth of all the farm products marketed in this country. This is more than is sold in total by two-thirds of all our farms, including half of our family farms.

If we are to have stable and prosperous rural communities with schools, churches, health, and other facilities, it is plain that many farm people need greater economic security and opportunity.

Price supports are the farmer's equivalent of the laboring man's minimum wage, social security, and collective-bargaining arrangements.

Of course, the price support does not meet the fundamental problem of the operator who cannot produce a large enough volume to make a good return at any price. But it does help on the price side of the farm income equation. There are a great many farmers on the economic border line—they can make a fairly good living when prices are in reasonable balance, but a small drop cuts sharply into the income they have available for living expense and leaves only operating expenses or less. These people are a very considerable percentage of all the independent producers in our entire free enterprise system. While price supports alone will not solve their problem, I see no reason to think it can be solved without some kind of a sound and effective program for maintaining stable and reasonable prices for the goods they produce.

MEASURING RESULTS

I have listed six ways in which a good farm income and price-support program can serve the interests of all the people. It can help do these things: Prevent depression, build bigger industrial markets and employment, maintain high-level production of farm commodities, conserve natural resources, maintain reserves for national security, and strengthen the rural community.

A program that will meet the test I have outlined will cost money, and the returns will have to justify the cost. We may not be able to set up a balance sheet in terms of dollars and balance it every year. But then, that is not the way we have measured the public cost and the returns from the tariffs with which we have protected various industries, the value of less-than-cost postal rates, the

public investment and returns from the railroads, merchant marine, and air lines, and the public cost and returns from the minimum wage law and social security.

We do know that agriculture is a basic segment of the economy. It must be highly productive, and permanently so. It must contribute to the prosperity of the Nation, and in turn those engaged in agriculture must be able to share equitably in that prosperity.

I believe we can have that kind of an agriculture if we really want it. We won't get it easily or automatically. We won't get it all of a sudden. But we have already made great progress toward it, and if we will work together we can make more progress.

In my opinion, production and price adjustment with a definite income objective must be the core of our united effort.

Here then is a yardstick by which the worth and effectiveness of a program to protect agricultural prices and income from collapse can be measured. In its consideration of needed price-support legislation, this committee has weighed the alternatives against these simple objectives. The plain fact is that legislation now available to farmers does not provide adequate and realistic means for meeting the problems of agriculture that are now in sight. Neither does that legislation afford the Nation the protection it must have against another farm-born and farm-fed depression. The urgent need now is for a price-support program that will serve the best interests of all our people. It is the committee's view that this is the only kind of program for agriculture that farmers and nonfarmers want or expect.

PREVIOUS PRICE-SUPPORT PROGRAMS

Price-support programs have been carried out by the Government for the last 15 years. The Agricultural Adjustment Act of 1938, as amended, provided mandatory price-support operations with respect to certain basic commodities and made provision for discretionary price-support operations with respect to other agricultural commodities.

Under the impact of the war, with its necessity for increased food and fiber production to meet war and essential civilian need, mandatory price-support legislation was greatly expanded. Section 8 of the Stabilization Act of 1942, as amended, required that loans be made available to producers of the basic commodities (corn, cotton, wheat, tobacco, rice, and peanuts), through the 1948 crop, at rates equal to 90 percent of parity in the case of all except cotton, for which the rate was 92½ percent.

Section 4 (a) of the act of July 1, 1941, as amended, the so-called Steagall amendment, provided price support until the end of 1948 at not less than 90 percent of the parity or comparable price for producers of nonbasic agricultural commodities for which the Secretary of Agriculture requested an expanded production for war purposes. These Steagall commodities are hogs, eggs, chickens weighing 3½ pounds or more (excluding broilers) and turkeys, milk and butterfat, dry peas of certain varieties, dry edible beans of certain varieties, soybeans for oil, flaxseed for oil, American-Egyptian cotton, potatoes, and sweetpotatoes.

Title I of the Agricultural Act of 1948, Public Law 897, Eightieth Congress, extended for one crop or one calendar year the price supports which had previously been in effect, except that the level of price support for the Steagall commodities, other than milk and its products, hogs, chickens, and eggs, could be reduced to a minimum of 60 percent of the parity or comparable price.

Title II of the same act (the Aiken Act) would, by its terms, become effective January 1, 1950. The principal differences between the provisions of that title and H. R. 5345 are important.

COMPARISON OF TITLE II, AGRICULTURAL ACT OF 1948 AND H. R. 5345

The price-support alternative is now clear-cut; it is either H. R. 5345 or title II of the Aiken Act. This committee believes that title II has such serious weaknesses as price-support legislation that enactment of H. R. 5345 is imperative.

This committee never had an opportunity to hold hearings or even study the Aiken Act prior to its enactment because the Congress was scheduled to stand adjourned sine die upon the adjournment of the daily session of Saturday, June 19, 1948.

The Senate passed the bill on the evening of June 17, 1948, when all members of this committee and of the House of Representatives were in constant attendance upon the closing sessions of the House and when numerous important measures were being brought up in rapid order for final consideration. This committee had no time even to read the bill as it passed the Senate, much less to make a full analysis of its provisions. Several amendments had been adopted to the bill while it was under consideration in the Senate. The bill, as amended, was passed as a substitute for H. R. 6248, which had previously passed the House. The House bill is now title I of the Aiken Act, continuing for the present year substantially the support price program in operation in 1948.

After passage by the Senate, H. R. 6248, including the titles that are now titles II and III of the Aiken Act, was transmitted to the House on June 18, 1948. On the motion of the chairman of this committee the House disagreed to the Senate amendment and conferees were appointed on the part of the House and Senate.

Realizing that such a radical change in the farm program required extensive hearings and consideration by this committee, the House conferees were unable to accept the Senate amendment in the absence of an opportunity to hold such hearings and give such consideration, and so advised the conferees on the part of the Senate at the first meeting of the conferees.

Two subsequent meetings of the House and Senate conferees were held the afternoon and evening of Saturday, June 19, 1948, at which the House conferees urged agreement on the bill as it passed the House, while the Senate conferees urged agreement on the bill as it passed the Senate. Neither yielded.

Finally about 4 a. m. Sunday morning, June 20, 1948, the majority conferees on the part of the House agreed to accept that portion of the Senate bill which is now titles II and III of the Aiken Act, and the Senate conferees agreed to accept the bill as it passed the House. The two bills were combined into one and are now titles I, II, and III of the Aiken Act. In doing so, the chairman of the House conferees stated that such arrangement was being agreed to solely in order to preserve the current support program for 1949, with the understanding that titles II and III would be given special study, and hearings would be held thereon by this committee during the next session of Congress (the present session) and that this committee would take appropriate action with respect thereto.

This committee, over a period of several months, has held such hearings, has made a line by line study and analysis of said titles II and III, and is almost unanimous that said titles II and III should not be permitted to go into effect on the first of next January. The majority of the committee recommends that they be repealed and H. R. 5345 be enacted.

DETERMINATION OF PARITY PRICES

The committee believes that the income support standard and the new parity price formula embodied in H. R. 5345 should be adopted for the following reasons:

(1) The suggested income support standard and parity prices give specific consideration not only to prices but also to income which is, of course, the real objective. At the same time, however, the standards are so developed that the results are stated in terms of prices, which can be easily understood.

(2) The use of the income support standard and parity prices in H. R. 5345, calculated from a recent base, overcomes the obvious shortcoming of tying parity calculations to a 1910-14 base. On the other hand, title II still retains the 1910-14 base period—now some 35 or more years out of date—to determine the over-all relationship between prices received and prices paid by farmers. The use of the new formula under H. R. 5345 will automatically give reasonably current relationships among the parity prices of the several agricultural commodities as well as a current relationship between agricultural prices and nonagricultural prices.

(3) The income support standard and parity prices which have been incorporated in H. R. 5345 will remain current, since they will be calculated from a moving base. This base for the calculation—the first 10 of the past 12 years—is long enough so that the parity prices will remain reasonably stable from year to year. The lag of 2 years used in calculating the income support standard will allow sufficient time for Congress to study changes from year to year.

Studies show that the income support standards and parity prices will remain relatively stable. This is illustrated in tables which appear on pages 355, 346, 357 of the record of hearings before this committee on the general farm program (81st Cong., 1st sess.).

The first of the following tables compares the alternative parity prices calculated (1) under H. R. 5345, (2) under present parity, and (3) under title II of the Aiken Act parity (disregarding transitional parity prices).

The next table shows how the parity prices under H. R. 5345 are calculated.

Comparison of alternative parity prices for 1950 based on parity index for June 15, 1949

Commodity (grouped according to H. R. 5345)	Unit	H. R. 5345	90 percent	Aiken Act parity	
		parity price	present parity	90 percent ¹	60 percent ²
		(1)	(2)	(3)	(4)
PRICE SUPPORT MANDATORY AT FULL PARITY PRICES					
Corn-----	Bushel-----	\$1.46	\$1.41	\$1.28	\$0.852
Cotton-----	Pound-----	.2799	.2734	.2438	.1625
Wheat-----	Bushel-----	1.88	1.95	1.64	1.09
Tobacco:					
Flue-cured-----	Pound-----	.492	.425	.429	.286
Burley-----	do-----	.496	.411	.432	.288
Rice-----	Bushel-----	2.26	1.79	1.97	1.31
Peanuts-----	Pound-----	.0945	.106	.0824	.0549
Hogs-----	Hundredweight--	19.00	16.00	16.60	11.00
Milk, wholesale-----	do-----	4.22	3.53	3.68	2.45
Butterfat-----	Pound-----	.669	.580	.582	.388
Wool-----	do-----	.496	.403	.432	.288
Mohair-----	do-----	.662	.607	.577	.385
PRICE SUPPORT MANDATORY, LEVEL NO1 SPECIFIED					
Potatoes-----	Bushel-----	1.59	1.62	1.39	.924
Sweetpotatoes-----	do-----	2.28	1.94	1.98	1.32
Beans, dry edible-----	Hundredweight--	8.45	7.43	7.36	4.91
Peas, dry-----	do-----	5.58	4.61	4.86	3.24
Soybeans-----	Bushel-----	2.54	2.12	2.21	1.48
Flaxseed-----	do-----	4.30	3.73	3.74	2.50
Cottonseed-----	Ton-----	67.50	49.70	58.80	39.20
Chickens-----	Pound-----	.290	.251	.253	.169
Eggs-----	Dozen-----	.458	.474	.399	.266
Turkeys-----	Pound-----	3.62	.318	.316	.211
Cotton, American Egyptian-----	do-----	.5879	.5365	.5122	.3415
Other commodities:					
Beef cattle-----	Hundredweight--	16.90	12.00	14.70	9.78
Lambs-----	do-----	18.40	13.00	16.00	10.70
Oats-----	Bushel-----	.825	.880	.719	.479
Barley-----	do-----	1.22	1.37	1.06	.708
Apples-----	do-----	2.61	2.12	2.28	1.52
Oranges-----	Box-----	2.08	3.32	1.81	1.21

¹ Do not include transitional prices. 90 percent of transitional parity prices are wheat, \$1.85; corn, \$1.34; cotton, \$0.2597; peanuts, \$0.101; eggs, \$0.451; oats, \$0.836; barley, \$1.30; oranges, \$3.16.

² 60 percent of transitional parity prices are wheat, \$1.24; corn, \$0.894; cotton, \$0.1732; peanuts, \$0.0672; eggs, \$0.301; oats, \$0.557; barley, \$0.864; oranges, \$2.11.

Formula for computation of national farm income support standard and specific farm commodity price support standard

STEP I. NATIONAL FARM INCOME SUPPORT STANDARD

Cash receipts, farm marketings		Index, prices paid by farmers (1939-48=100)	Average 1939-48 farm dollar purchasing power
			<i>Billions</i>
1939	7.9 billions adjusted by	73 equals	10.8
1940	8.4 billions adjusted by	73 equals	11.5
1941	11.2 billions adjusted by	77 equals	14.5
1942	15.4 billions adjusted by	88 equals	17.5
1943	19.4 billions adjusted by	94 equals	20.5
1944	20.4 billions adjusted by	99 equals	20.6
1945	21.5 billions adjusted by	101 equals	21.3
1946	24.9 billions adjusted by	113 equals	22.0
1947	30.2 billions adjusted by	135 equals	22.4
1948	31.0 billions adjusted by	146 equals	21.2
		Average	18.2
1949	27.5 billions (estimate)	144 (current—June 1949 index used as estimate for 1950)	
	21.0 (average, years 1940-49)		

National farm income support standard equals 10-year average farm dollar purchasing power (18.2 billions) multiplied by index prices paid by farmers (144) which is 26.2 (billions of dollars).

Formula for computation of national farm income support standard and specific farm commodity price support standard—Continued

STEP II. SPECIFIC FARM COMMODITY PRICE-SUPPORT STANDARD (PROJECTED ESTIMATE FOR 1950)

Income standard.....	\$26.2 billion	} = 1.25 (26.2 divided by 21.0)
Average cash receipts, 10-year period, 1940-49.....	21.0 billion	

Commodity	Average price period (1940-49)	Price factor	Support standard
Corn.....bushel.....	\$1. 17	×\$1. 25 equals.....	\$1. 46
Wheat.....do.....	\$1. 50	×\$1. 25 equals.....	1. 88
Cotton.....pound.....	\$0. 2239	×\$1. 25 equals.....	. 2799

LEVEL OF SUPPORT FOR VARIOUS COMMODITIES

A review of the support-price levels of title II of the Aiken Act is necessary as a basis for appraisal of the price-support levels provided by H. R. 5345.

Title II offers mandatory price supports only for the six basic commodities, and potatoes and wool. Minimum price supports ranging from 60 percent of parity (when the total supply is more than 130 percent of normal) to 90 percent (when the supply is less than 70 percent of normal) are provided for the basic commodities. The minimum support level is increased by 20 percent when acreage allotments or marketing quotas are in effect (i. e., 60 is increased to 72, etc.), but the level cannot exceed 90 percent of parity. Tobacco prices are supported at 90 percent of parity whenever marketing quotas are in effect. Price-support levels for potatoes and wool range from 60 to 90 percent of parity.

Such supports would mean that farmers would, in effect, get high supports when they do not need them and generally low supports in years when farm prices are falling most drastically.

Title II contains limitations which would make it virtually impossible for the Secretary to carry out an effective price-support program for livestock, poultry, and other perishable commodities. He is specifically prohibited from utilizing Commodity Credit Corporation funds to support the price of any agricultural commodity (other than Irish potatoes) which is so perishable that it cannot be stored without excessive loss or cost, except to the limited extent that price support can be provided for perishable commodities when processed into storable form.

On the other hand, H. R. 5345 provides mandatory support at full parity prices for hogs, milk, and butterfat, as well as for all the commodities specified in title II, except potatoes. In addition, it provides mandatory price support for the remaining Steagall commodities and for cottonseed. For these commodities a price-support program must be operated at levels determined in accordance with the standards in the bill.

Farm prices have dropped considerably during the past year and a half in relation to nonfarm prices. Last month, June 1949, farm prices were the lowest in relation to nonfarm prices they have been since 1942. This is particularly disastrous considered in the light of its effect on farm net income. Actually last month, June 1949, 10 out of 12 agricultural crops which were being sold in any volume

were below their parity prices. Three of these crops were as low as 60 percent of parity. Some livestock prices may soon follow, if price support is not available. Prices received by farmers for 30 of the commodities listed in *Agricultural Prices*, an official publication of the Department of Agriculture, went down between May and June. Only four increased in price and one remained the same. This decrease in farm prices is a continuation of a trend that began 18 months ago.

Price changes for several important commodities from January 1948 to June 1949 were as follows:

PRICES RECEIVED BY FARMERS

	Unit	January 1948	June 1949	Percent decrease
Wheat.....	Bushel.....	\$2.81	\$1.86	34
Corn.....	do.....	2.46	1.21	51
Cotton.....	Pound.....	.3314	.3013	10
Hogs.....	100 pounds.....	26.70	18.80	30

PRICES PAID BY FARMERS¹

	Unit	March 1948	March 1949	Percent increase
Gasoline.....	Gallon.....	\$0.250	\$0.255	2
Milk cans.....	10 gallons each..	8.22	8.92	9
Tractors, wheel type, rubber tires.....		1,570.00	1,840.00	17
Grain drills, 12 tubes each.....		319.00	403.00	26

¹ Prices paid by farmers for individual items used for the nearest comparable month for which data are available.

This sharp downward trend in most agricultural prices must not be ignored, in fact cannot be ignored. We must take steps immediately to ensure farmers and the Nation the best possible type of price-support program.

Price supports must not be allowed to drop in order to bring about shifts in farm production. This would be the way of starvation and misery for our farmers.

The shortcomings of a "low price" policy to get production adjustments, the main dependence of title II, can be illustrated by the facts of past experience. Let us choose some examples out of the period before we had national farm programs in operation—a time when the theory should have worked out in practice.

•Let's start with potatoes. In 1925 the national average price was \$1.70 a bushel. In 1926 farmers planted the same acreage and got \$1.31. The next year they increased their acreage and got \$1.02. The next year they increased again and got 52 cents. In the next year, 1929, they still had 200,000 acres more land in potatoes, the year after the 52 cent price, than they had in the year after the \$1.70 price.

This is not an isolated example. From 1919 to 1922, the potato price dropped from \$1.94 to 66 cents, and acreage rose from 3.3 million to 3.9. From 1929 to 1932, price fell from \$1.32 to 38 cents; acreage went from 3.1 to 3.6 million before it dropped to 3.5 million in 1933.

In wheat the experience has also shown that a reduced price does not lower acreage or result in lower production. From 1920 to 1924 the price went down, and it took three years to get an appreciable decrease in acreage. From 1925 to 1929, the price went down and

acreage went up. From 1929 to 1932, the price went down and there was practically no reduction in total acreage.

In cotton also, price is an unreliable mechanism for adjusting acreage. Farmers have harvested as many or more acres after receiving prices of less than 10 cents a pound than in years after 30- and 35-cent prices.

We need better and more direct means of encouraging shifts in the pattern of production, without going through the "starving-out" process. H. R. 5345 would meet this need. It would not force but would encourage farmers to make shifts in production, with special emphasis on livestock.

METHODS OF PRICE SUPPORT

Title II of the Aiken Act places no limitation on the authority of the Secretary to make direct payments to farmers in connection with price-support activities. Under title II the Secretary could, if he chose, use the direct payment plan even on corn, cotton, wheat, tobacco, and other storables. Until and unless experience with production payments has proved the effectiveness and the desirability of this method of support, the committee feels that authority for such payments should not be made generally available for agricultural commodities. Except for the limitations on the use of payments, H. R. 5345 would provide for all the same methods of price support available in title II.

CONDITIONS OF SUPPORT

Both title II of the Aiken Act and H. R. 5345 have provisions authorizing price support to be conditioned upon farmers making use of marketing quotas and acreage allotments, and of marketing agreements and marketing orders. The bills do not differ in this respect. Both make these devices available to farmers for use in the event of developing surpluses. Both require at least a two-thirds favorable vote by farmers before marketing controls can be put into operation.

Title II of the Aiken Act provides price support at 50 percent of parity for basic commodities even though farmers have rejected marketing quotas and refused to accept the responsibility for effectively adjusting production. H. R. 5345 provides no price support for these commodities when farmers reject marketing quotas and in this way refuse to accept responsibility under a program administered by farmers themselves for keeping production and marketings in line with consumer requirements.

No new types of control are provided in H. R. 5345. Those types of controls which have been a part of the farm program since 1938 are merely continued. And final decision on such controls rests with the farmers themselves. As the Secretary of Agriculture has said so well:

The present legal right of producers to accept or reject by referendum any proposed mandatory limitation upon their marketing should not be infringed. * * * Farmers fought for the legal rights they now have to impose marketing limits upon themselves. In the view of those who did so, these rights represent an extension, not an infringement, of their freedom.

ANALYSIS OF THE BILL

Section 1 contains a short title for the bill.

Section 2 provides for the calculation and use of an "income support standard" and a new "parity price" in lieu of the parity price or modernized parity price provided in existing legislation.

The income support standard for the years 1950 and 1951 is defined as that level of cash returns from farm products which is equivalent in purchasing power to the average annual purchasing power of cash receipts from farm marketings during the 10 calendar years 1939 through 1948.

As the starting base, the formula takes the average annual purchasing power of cash receipts from marketings of farm products for the years 1939 through 1948. This purchasing power is determined by dividing cash receipts for each year by the same year's index of prices paid by farmers for goods and services, including allowances for interest and taxes—that is, the "parity index." In terms of average 1939–48 farm purchasing power dollars, this base is \$18,218,000,000.

To calculate the income support standard, this base is multiplied by the current parity index. For example, the parity index as of June 15 was equal to 144 (base 1939–48 equals 100). Such an index would indicate an income support standard of \$26,234,000,000 (18,218,000,000 times 1.44).

The base periods used for determining the income support standard would move forward. The 1939–48 income base would be used for 1950 and 1951 and thereafter the base would be the first 10 out of the most recent 12 years. In other words, there should be a 2-year lag between the base period and the year of actual operations so as to allow administrative preparation well in advance of operations and so that the Congress may become aware of the effects of the moving standard before new calculations are put to use.

After determining the income support standard for a year, the next step is the determination of a corresponding schedule of parity prices for individual commodities. In doing this, average farm prices for individual commodities for the 10 immediately preceding years (or marketing seasons) would be multiplied by the ratio of (a) the current income support standard to (b) the actual average level of cash receipts from farm marketings during the 10 immediately preceding years. This formula will keep price relationships among commodities on a moving, up-to-date basis.

For example, the average cash receipts for the 10 years 1940–49 (using an estimate for 1949 in this illustration) is \$20,900,000,000, while the estimated income support standard for 1950 is \$26,234,000,000, with parity index at its current level. Since the income support standard is 1.25 times the average cash receipts, the parity prices would be determined by multiplying the 1940–49 average farm price for each of the several commodities by 1.25 .

Prices for agricultural commodities equal to the parity prices computed by the use of the formulas would, assuming normal marketings of the various commodities, result in a purchasing power from marketings of farm products equivalent to that which prevailed during the moving base period.

Section 3 amends section 302 of the Agricultural Adjustment Act of 1938, as amended, to provide for the following:

Section 302 (a): This subsection contains a general authorization to the Secretary to carry out price support operations for agricultural commodities through the Commodity Credit Corporation and other means available to him by means of loans, purchases, and other operations. This provision is similar to that in present legislation and authorizes price support programs similar to those conducted in the past. In addition there is contained express authorization for the Secretary to provide at any one time support for the prices of not more than three agricultural commodities through production payments, if the Secretary determines that this method is the most effective and practicable means of making price support available for the commodity and that use of payments will not substantially reduce price of, or the demand for, other agricultural commodities. Such determinations require that the Secretary take into account the cost of the payment method as compared to the cost of supporting prices through other methods of support and assures that competing commodities will not be substantially affected by reason of the fact that the designated commodities are receiving price support through the payment method. Payments are not authorized on milk, butterfat, or storable commodities other than shorn wool.

The types, terms, and conditions of price-support operations and the extent to which such operations are to be carried out (except as otherwise provided in other sections of the bill) is left to the determination of the Secretary. This authority, however, is not to be construed as authorizing the Secretary to limit price support to a portion of any producer's crop, unless, of course, such a limitation is authorized by some other provision of law.

Section 302 (b): Price support is made mandatory at the full parity price for corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool (including mohair). If acreage allotments or marketing quotas are in effect, the price-support level for corn for producers outside the commercial corn-producing area shall be 75 percent of the level at which the price of corn is supported in the commercial corn-producing area, since producers outside the commercial corn-producing area are not required to be controlled in their production of corn by acreage allotments or marketing quotas. If the parity prices for corn, wheat, milk, butterfat, and hogs are determined not to be in proper relation to permit the maintenance of desirable feed ratios, the Secretary is authorized to adjust the level of price support for such commodities to levels which will reflect desirable feed ratios, except that the adjustment as to any particular commodity cannot exceed 10 percent.

Section 302 (c): Price support is made mandatory on cottonseed and the Steagall commodities (other than milk, butterfat, and hogs, which are required to be supported at the full parity price) at levels not in excess of the parity price for each of such commodities. These commodities are eggs, chickens weighing $3\frac{1}{2}$ pounds or more (excluding

broilers) and turkeys, dry peas of certain varieties, dry edible beans of certain varieties, soybeans for oil, flaxseed for oil, American-Egyptian cotton, potatoes, and sweetpotatoes.

In determining at what level these agricultural commodities should be supported, the Secretary is directed to take into account six factors.

Section 302 (d): Provision is made for price support on commodities other than those for which mandatory price support is provided in the preceding subsections of the bill. The general policy of the Congress is expressed that the prices received by the producers of commodities for which mandatory price support is not provided should be brought into a fair and comparable relationship with the prices received by producers of other agricultural commodities, taking into account the six factors referred to in section 302 (c) and the availability of funds.

Section 302 (e): The levels of price support referred to in the bill are based upon the parity prices for the respective commodities computed as of the beginning of the marketing year or season in the case of those commodities marketed on a marketing year or seasonal basis, and as of January 1 in the case of commodities not so marketed (the parity prices as of July 1 may be used for the last 6 months of the year in the latter case, if the Secretary so determines). Corn, cotton, wheat, and similar crops are produced on a crop-year basis and price support for these commodities should, of course, be based upon the parity price computed as of the beginning of the marketing year. There are other commodities, such as milk and eggs, which the producers market continuously throughout the year and which require a different treatment. The parity prices for these commodities would be computed as of January 1, except that the price-support level for the quantity of these commodities marketed in the last 6 months of the year may be based upon the July 1 parity price, in those instances in which changes in conditions require such action.

Section 302 (f): If marketing quotas are disapproved with respect to any agricultural commodity in a referendum held with respect to such quotas, price-support operations are prohibited with respect to the crop of the commodity to which the marketing quotas would have been applicable. In the case of marketing-quota referendums covering more than one crop year, the prohibition upon price support would not extend to more than one crop of the commodity, so that, if marketing quotas were not found to be necessary in the succeeding years, or if marketing quotas were proclaimed and approved in succeeding years, price support would be available. The Secretary is also authorized to refuse to institute a price-support program with respect to any commodity if appropriate marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, are not approved in applicable regional production or marketing areas prescribed by the Secretary. This provision would only be applicable to those commodities for which marketing orders are authorized by the terms of the Agricultural Marketing Agreement Act of 1937, as amended.

Section 302 (g): Price-support programs are most effective when the level of price support is announced in time to influence the planting program of the farmer. The present bill authorizes the announcement of the level of price support in advance of the beginning of the marketing year or season, including announcements in advance of planting, if the support prices so announced do not exceed the estimated parity price based upon the latest information and statistics available to the

Secretary at the time of the announcement. If the mandatory support level exceeded that announced in advance of the marketing year, the level of price support would necessarily be increased, but if such announced support prices exceed the parity prices when finally determined, no reduction in the support prices would be required. It is anticipated that the Secretary will, insofar as practicable, announce the level of price support in advance of planting time when he utilizes the authority granted in this subsection.

Section 302 (h): Price support operations at levels in excess of the parity price are authorized whenever the Secretary determines and issues a public notice thereof that price support at such increased level is necessary in order to increase or maintain the production of any agricultural commodity in the national interest.

Section 302 (i): The Secretary is authorized to require compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when authorized by law) as a condition of eligibility for price support. This authority is essentially the same authority which has been exercised by the Secretary and the Commodity Credit Corporation under the Agricultural Adjustment Act of 1938, as amended. It is designed to assist in keeping supplies in line with demand to bring about a more effective price-support program. The Secretary is required, in cases in which acreage allotments are in effect, to prescribe as a minimum condition of eligibility for price support on the commodity subject to such acreage allotment that the producer shall not have knowingly overplanted such acreage allotment. This requirement is also consistent with existing legislation.

Section 302 (j): Provision is made for adjustments in the support price for any commodity for differences in grade, type, location, and other factors. These adjustments are a customary feature of the price-support programs, and are necessary to their effective and equitable operation. Adjustments are required in price-support operations for milk to assure that milk used for manufactured dairy products is supported at 88½ percent of the parity price for milk sold at wholesale. The Secretary is also required to use 7/8-inch Middling cotton as the standard or average for price-support purposes and to apply the parity price for cotton to 7/8-inch cotton, with premiums and discounts for cotton of other qualities.

Section 302 (k): This provision provides that any price-support loans shall be without recourse against the producer unless the loan was obtained through fraudulent representations but the producer may be required to assume liability for deficiencies in grade, quality, or quantity of farm-stored commodities, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. This provision represents no change in the administration of the price-support program.

Section 302 (1): Provision is made for the Secretary to determine the rate of production payments annually or periodically on a national or area basis. The basic rate of payment would be determined by using the difference between the estimated average price to producers and the level of price support. The basic rate of payment would be subject to such adjustments for grade, type, location, and other factors as the Secretary determines are essential to the effective operation of

the price-support program. So far as practicable, production payments shall be limited to the quantities of the commodity marketed by the producer. Since the estimated average price to producers may closely approximate the announced price-support level in some instances, resulting in payments to producers which would be too small to justify the administrative cost, authority is included for the Secretary to make no payments under these circumstances.

Section 302 (m): The Commodity Credit Corporation is prohibited from selling any farm commodity owned or controlled by it at less than the current price support level plus an allowance for approximate carrying charges, with eight exceptions similar to those included in existing law. This provision would prevent processors from escaping the cost of carrying a normal inventory by relying upon access to the Corporation's stock. The Corporation is not expected to recover the actual carrying charges on the particular lot being sold, but would be permitted to use a cumulative average instead. The phrase "an allowance for approximate carrying charges" would include (1) storage and handling charges (including fumigation, conditioning, and similar charges) which can be specifically related to the commodity, and (2) transportation and other charges related to movement of the commodity exclusive of transportation charges which normally are considered a factor in the determination of the "current price-support level" of the commodity at its present location. The phrase would exclude interest and administrative costs, due to the practical difficulties of specifically relating such costs to individual commodities. This subsection will have the effect of superseding section 381 (c) of the Agricultural Adjustment Act of 1938, as amended.

Section 302 (n): This provision authorizes the Secretary to utilize the facilities of the Commodity Credit Corporation in acquiring commodities under section 32 of the act of August 24, 1935, as amended, and section 6 of the National School Lunch Act, thus making it possible for the Secretary to conduct commodity procurement operations through a single agency of the Department of Agriculture and to utilize the flexible procedures of the Commodity Credit Corporation in carrying out commodity programs under section 32 and section 6.

Section 302 (o): Section 2 of the act of July 28, 1948, basing the price-support levels for dark air-cured, fire-cured, and Virginia sun-cured tobacco upon specified percentages of the burley tobacco loan rate is continued in effect, thus preserving the existing relationships among the support prices of these types of tobacco.

Section 4: This provision amends section 8 (a) of the Soil Conservation and Domestic Allotment Act, as amended, by extending for 2 years the period within which Federal operations under the terms of section 8 of such act are authorized.

Section 5: Section 32, as amended, of the act of August 24, 1935, is amended by adding a provision which would permit the unexpended balance, not in excess of \$300,000,000, of section 32 funds to be carried over for use in subsequent fiscal years. Any uncommitted funds in excess of \$300,000,000 would be covered into the miscellaneous receipts of the Treasury. This provision is identical to the provision appearing in title II of the Agricultural Act of 1948.

Section 6: Section 4 of the act of March 8, 1938, as amended, is amended by adding a proviso to the next to the last sentence thereof

which would assure that the authorized borrowing power of the Commodity Credit Corporation would be fully available to meet the financial needs of those programs contained in the Corporation's annual budget, as approved by the Congress under the Government Corporation Control Act. The sentence to which the proviso is added prohibits the issuance of obligations by Commodity Credit Corporation in excess of its assets. Neither the requirement for the approval of an annual budget by the Congress nor the requirement for a commercial-type audit of the Corporation by the General Accounting Office was in effect when this statute was originally passed. In view of the control over the Corporation's activities afforded to the Congress by these requirements and to avoid the possibility that the Corporation would be prohibited from utilizing its borrowing authority to carry out programs authorized and directed by the Congress, it is believed that the proviso should be included in order to assure the availability of funds, up to the Corporation's authorized borrowing authority, to meet the financial demands of those programs which have been approved by the Congress.

Section 7: This section provides that all references in other laws to parity, parity prices, prices comparable to parity, or prices determined in the same manner as provided by the Agricultural Adjustment Act of 1938 for the determination of parity prices, shall, after January 1, 1950, be deemed to refer to the parity prices for such commodities determined in accordance with section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended by this bill. This modification of the parity concept is applicable to a number of the Department's programs, including marketing agreements and orders, effective under the Agricultural Marketing Agreement Act of 1937 as amended. The section does not, however, terminate or render ineffective the marketing agreements and orders now in effect. Each marketing agreement and order program is based on evidence adduced at a public hearing, and the program has been approved by the requisite percentage of producers. All such programs in effect on December 31, 1949, are to continue in effect for the purpose now provided in this bill without the necessity for any amendatory action. All of these programs are, therefore, approved and ratified for that purpose.

Section 8: This provision repeals titles II and III of the Agricultural Act of 1948. Except as otherwise provided in this act, the repeal of these two titles will leave the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, in effect without regard to the amendments made to such acts by titles II and III of the Agricultural Act of 1948.

Section 9: The effective date of the bill would be January 1, 1950, except that section 6 and section 8 would become effective immediately. It does not affect price-support operations with respect to any commodity the marketing year or season for which commenced prior to January 1, 1950, in order to avoid the necessity for different levels of support with respect to one crop of any commodity.

EXHIBIT A

[H. R. 5345, 81st Cong., 1st sess.]

A BILL To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1949".

SEC. 2. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(1) (A) The term 'income support standard', as of any date, means the average annual aggregate purchasing power of cash receipts from all farm marketings, including production payments made under section 302 of this title, during a period consisting of the first ten of the preceding twelve calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948 inclusive) computed as follows: (i) Divide such cash receipts for each of such ten years by the parity index for such year; (ii) add the amount obtained under (i) above for each of the ten years and divide by ten; (iii) multiply the amount obtained under (ii) above by the most recent parity index.

"(B) The term 'parity index', as of any date, means the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, interest, and taxes during a period consisting of the first ten of the last preceding twelve calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive). The parity index for any year shall be the simple average of the twelve monthly parity indexes computed for such year.

"(C) The term 'parity price' for each agricultural commodity means a price computed as follows: Multiply the average of the prices received by farmers (including any production payments made under section 302 of this title) for the commodity for each of the ten immediately preceding calendar years, or for each marketing season beginning in such period if the Secretary determines that use of a calendar year basis is impracticable, by the ratio of (i) the current income support standard to (ii) the actual average level of cash receipts from farm marketings, including production payments made under section 302 of this title, during the ten immediately preceding years.

"(D) The standards, prices, and indexes provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final and conclusive."

SEC. 3. Section 302 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary, through the Commodity Credit Corporation and other means available to him is authorized to support prices of agricultural commodities to producers through loans, purchases, and other operations. In addition, the Secretary is authorized at any one time to support the prices of not more than three agricultural commodities to producers thereof through production payments alone, or in combination with other types of price support, if he determines that the use of production payments is the most effective and practicable method of providing price support, and that the use of production payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity. Such three agricultural commodities shall not include milk, butterfat, or any commodity (other than shorn wool) which can be stored without excessive loss or cost. Except as otherwise provided in this section, the type, amount, terms and conditions of price support operations, and the extent to which such operations are carried out, shall be determined by the Secretary.

"(b) Price support shall be made available to the producers of corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool (including mohair), at levels equal to the parity price for each of such commodities. If acreage allotments or marketing quotas are in effect, the price support level for corn for producers outside the commercial corn-producing area shall be 75 per centum of the level at which the price of corn is supported in the commercial corn-producing area. Notwithstanding the foregoing provisions of this section, if the Secretary determines that the parity prices for corn, wheat, milk, butterfat, and hogs are not in such proper relation as to permit the maintenance of desirable feed ratios, the levels at which such commodities are to be supported may be adjusted by not more than 10 per centum on any such commodity to levels which the Secretary determines will reflect desirable feed ratios.

"(c) Price support shall be made available to the producers of cottonseed and of agricultural commodities (other than those specified in subsection (b) of this section) for which the Secretary by public announcement pursuant to the Act of July 1, 1941, as amended (55 Stat. 498), requested an expansion of production, at levels not in excess of the parity price, taking into account the following factors: (1) The supply of the commodity in relation to the demand therefor; (2) the price levels at which other commodities are being supported, including the feeding values of other grains in relation to corn; (3) the perishability of the commodity; (4) the ability to dispose of stocks acquired through a price-support operation; (5) the need for offsetting temporary losses of export markets; and (6) the ability and willingness of producers to keep marketings and supplies in line with demand.

"(d) It is hereby declared to be the policy of Congress that the price-support operations of the Department of Agriculture or any instrumentality or agency under the supervision or direction of the Secretary with respect to agricultural commodities (other than those required to be supported by subsections (b) and (c) of this section) shall be carried out so as to bring the prices received by the producers of such commodities into a fair and comparable relationship with the prices received by producers of other agricultural commodities taking into account the availability of funds and the factors enumerated in subsection (c) hereof.

"(e) The levels of price support provided herein shall be based upon the parity prices for the respective commodities, computed as of the beginning of the marketing year or season, in the case of those commodities marketed on a marketing year or seasonal basis, and as of January 1, in the case of commodities not so marketed (the parity price as of July 1 may be used for the last six months of the year, in the latter case, if the Secretary so determines).

"(f) If producers have disapproved marketing quotas with respect to any agricultural commodity in a referendum held with respect to such quotas no price-support operations shall be undertaken with respect to the crop of the commodity to which the marketing quotas would have been applicable: *Provided*, That the disapproval of marketing quotas in any one referendum shall not prohibit price-support operations with respect to more than one crop of the commodity. The Secretary may also require, as a condition to undertaking a price-support operation for any agricultural commodity, that appropriate marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, be in effect for the commodity in applicable regional production or marketing areas prescribed by the Secretary.

"(g) Nothing in this section shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season (January 1 or July 1 in the case of commodities not marketed on a marketing year or season basis) if the level of price support so announced does not exceed the estimated parity price, based upon the latest information and statistics available to the Secretary when such level of price support is announced, and the level of price support so announced shall not be reduced if the parity price, when determined, is less than the level so announced.

"(h) Notwithstanding any other provision of this section, price support for any agricultural commodity at a level in excess of the parity price for such commodity may be undertaken whenever it is determined by the Secretary, and public notice given thereof, that price support at such increased level is necessary in order to increase or maintain the production of such commodity in the national interest.

"(i) In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when otherwise authorized by law), as prescribed by the Secretary may be required as a condition of eligibility for price support. If acreage allotments are in effect for any commodity, the Secretary shall prescribe, as a minimum condition of eligibility for price support, that the producer shall not have knowingly overplanted such acreage allotment.

"(j) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, location, and other factors, except that the support price for milk shall be adjusted so that milk used in the manufacture of dairy products shall be supported at not less than 88½ per centum of the parity price for whole milk, subject to the feed ratio adjustment authorized in subsection (b) of this section, and in the case of cotton, the standard grade for purposes of price support shall be middling seven-eighths-inch cotton.

"(k) No producer shall be personally liable for any deficiency arising from the sale of collateral securing any loan under this section unless such loan was obtained through fraudulent representations by the producer. This provision shall

not, however, be construed to prevent the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

"(l) If the price of any agricultural commodity is supported by production payments (as authorized in section 302 (a) hereof), the Secretary may determine the rate or rates of payment annually, or periodically, on the basis of the amount by which the estimated average price to producers of the commodity nationally, or in such areas as the Secretary may determine, for the period to which the rate relates is less than the level of price support therefor; and such rate or rates may be adjusted by the Secretary, for differences in grade, type, location, and other factors, if he determines that such adjustments are practicable and essential to the effective operation of the price-support program for such commodity. Production payments shall, so far as practicable, be limited to the quantities of the commodity marketed by the producer. Production payments need not be made with respect to any commodity or any producer thereof if the Secretary determines that the total amount of production payments which would be made to the producers of the commodity is too small to justify the administrative cost of making such payments.

"(m) The Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than the current price-support level for such commodity plus an allowance for approximate carrying charges, except that the foregoing restrictions shall not apply to (1) sales for new or byproduct uses; (2) sales of peanuts for the extraction of oil; (3) sales for seed or feed if such sales will not substantially impair any price-support program; (4) sales of commodities which have substantially deteriorated in quality or of commodities where there is a danger of loss or waste through spoilage; (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful act with respect to the commodities; (6) sales for export; (7) sales of wool (including mohair); and (8) sales for other than primary uses.

"(n) The Secretary, in carrying out programs with respect to any agricultural commodity under section 32 of the Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it.

"(o) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506), shall continue in effect."

SEC. 4. Section 8 (a), as amended, of the Soil Conservation and Domestic Allotment Act is amended (a) by striking out "January 1, 1951" wherever appearing therein and inserting in lieu thereof "January 1, 1953", and (b) by striking out "December 31, 1950" and inserting in lieu thereof "December 31, 1952".

SEC. 5. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act and for other purposes", approved August 24, 1935 (7 U. S. C., 1946 edition, sec. 612c), is amended by adding at the end thereof the following: "The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (31 U. S. C., 1946 edition, sec. 712), and section 5 of the Act entitled 'An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes' (31 U. S. C., 1946 edition, sec. 713)."

SEC. 6. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: "Provided, That the foregoing shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841)."

SEC. 7. All references in other laws to parity, parity prices, prices comparable to parity, or prices determined in the same manner as provided by the Agricultural Adjustment Act of 1938, for the determination of parity prices, shall, after January 1, 1950, be deemed to refer to the parity prices for such commodities deter-

mined in accordance with the provisions of section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended by this Act: *Provided*, That any marketing agreement or marketing order, including any regulation issued thereunder, in effect under the Agricultural Adjustment Act of 1933, as amended, or the Agricultural Marketing Agreement Act of 1937, as amended, on December 31, 1949, shall continue in effect without the necessity for any amendatory action relative thereto, and all terms and provisions of such agreements, orders, and regulations are hereby expressly ratified, validated, and confirmed.

SEC. 8. Titles II and III of the Agricultural Act of 1948 are repealed.

SEC. 9. This Act shall become effective on January 1, 1950, except that sections 6 and 8 shall take effect on the date of the enactment of this Act. No provision of this Act shall affect price-support operations or announcements thereof with respect to any agricultural commodity the marketing year or season for which commenced prior to January 1, 1950.

EXHIBIT B

[PUBLIC LAW 897—80TH CONGRESS]

[CHAPTER 827—2D SESSION]

[H. R. 6248]

AN ACT To authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1948".

* * * * *

TITLE II—AMENDMENTS TO THE AGRICULTURAL ADJUSTMENT ACT OF 1938

DEFINITIONS OF "PARITY PRICE", "CARRY-OVER", "NORMAL SUPPLY", AND "TOTAL SUPPLY"

SEC. 201. Section 301 of the Agricultural Adjustment Act of 1938 is amended—

(a) By striking out paragraphs (1) and (2) of subsection (a) and inserting in lieu thereof the following:

"(1) (A) The 'parity price' for any agricultural commodity, as of any date, shall be determined by multiplying the adjusted base price of such commodity as of such date by the parity index as of such date.

"(B) The 'adjusted base price' of any agricultural commodity, as of any date, shall be (i) the average of the prices received by farmers for such commodity, at such times as the Secretary may select during each year of the ten-year period ending on the 31st of December last before such date, or during each marketing season beginning in such period if the Secretary determines use of a calendar year basis to be impracticable, divided by (ii) the ratio of the general level of prices received by farmers for agricultural commodities during such period to the general level of prices received by farmers for agricultural commodities during the period January 1910 to December 1914, inclusive.

"(C) The 'parity index', as of any date, shall be the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, rates, and taxes during the period January 1910 to December 1914, inclusive.

"(D) The prices and indices provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final.

"(E) Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

"(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

"(ii) five per centum of the parity price so determined multiplied by the number of full calendar years which, as of such date, have elapsed after January 1, 1949.

"(F) Notwithstanding the provisions of subparagraphs (A) and (E), if the parity price for any agricultural commodity, computed as provided in subparagraphs (A) and (E) appears to be seriously out of line with the parity prices of other agricultural commodities, the Secretary may, and upon the request of a substantial number of interested producers shall, hold public hearings to determine the proper relationship between the parity price of such commodity and the parity prices of other agricultural commodities. Within sixty days after commencing such hearing the Secretary shall complete such hearing, proclaim his findings as to whether the facts require a revision of the method of computing the parity price of such commodity, and put into effect any revision so found to be required.

"(2) 'Parity', as applied to income, shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation. 'Parity' as applied to income from any agricultural commodity for any year, shall be that gross income which bears the same relationship to parity income from agriculture for such year as the average gross income from such commodity for the preceding ten calendar years bears to the average gross income from agriculture for such ten calendar years."

(b) By amending paragraph (3) (A) of subsection (b) to read as follows:

"(A) 'Carry-over', in the case of corn, rice, and peanuts for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any quantity which was produced in the United States during the calendar year then current."

(c) By amending paragraph (3) (B) of subsection (b) to read as follows:

"(B) 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand within the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current, plus the quantity on hand within the United States at the beginning of such marketing year which was produced outside the United States."

(d) By striking out paragraph (10) of subsection (b) and inserting in lieu thereof the following:

"(10) (A) 'Normal supply' in the case of corn, cotton, rice, wheat, and peanuts for any marketing year shall be (i) the estimated domestic consumption of the commodity for the marketing year ending immediately prior to the marketing year for which normal supply is being determined, plus (ii) the estimated exports of the commodity for the marketing year for which normal supply is being determined, plus (iii) an allowance for carry-over. The allowance for carry-over shall be the following percentage of the sum of the consumption and exports used in computing normal supply: 7 per centum in the case of corn; 30 per centum in the case of cotton; 10 per centum in the case of rice; 15 per centum in the case of wheat; and 15 per centum in the case of peanuts. In determining normal supply the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

"(B) 'Normal supply' in the case of tobacco shall be a normal year's domestic consumption and exports, plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over."

(e) By amending paragraph (16) of subsection (b) to read as follows:

"(A) 'Total supply' of cotton, wheat, corn, rice, and peanuts for any marketing year shall be the carry-over of the commodity for such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

"(B) 'Total supply' of tobacco for any marketing year shall be the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins, except that the estimated production of type 46 tobacco during the marketing year with respect to which the determination is being made shall be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar filler and cigar binder tobacco."

PRICE SUPPORT

SEC. 202. (a) Section 302 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 302. (a) The Secretary, through the Commodity Credit Corporation (except as provided in subsection (c)) and other means available to him, is authorized to support prices of agricultural commodities to producers through loans, purchases, payments, and other operations. Except as otherwise provided in this section, the amounts, terms, and conditions of such price support operations, and the extent to which such operations are carried out, shall, in the case of operations carried out by Commodity Credit Corporation, be determined by the Corporation with the approval and subject to the direction of the Secretary, and, in the case of operations carried out by other means, be determined by the Secretary. In making such determinations, consideration shall be given to (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported, (3) the availability of funds, (4) the perishability of the commodity, (5) its importance to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand. Compliance by the producer with acreage allotments, production goals, and marketing practices prescribed by the Secretary may be required as a condition of eligibility for price support. The Secretary shall in all cases give consideration to the practicability of supporting prices indirectly, as by the development of improved merchandising methods, rather than directly by purchase or loan.

"(b) (1) Price support shall be made available to producers of any basic agricultural commodity at levels determined as hereinafter provided in this subsection. On the basis of the latest available statistics of the Department of Agriculture as of the beginning of each marketing year for each such basic agricultural commodity, the Secretary shall, with respect to such marketing year and such basic agricultural commodity—

"(i) estimate the total supply;

"(ii) determine the normal supply; and

"(iii) determine the percentage which the estimated total supply is of the normal supply (such percentage being referred to herein as the 'supply percentage').

"(2) The level at which the price of such basic agricultural commodity for such marketing year shall be supported for cooperators (other than cooperators outside the commercial corn-producing area, in the case of corn) shall not exceed 90 per centum of the parity price of such commodity as of the beginning of the marketing year or be less than the percentage of its parity price as of the beginning of such marketing year determined from the following table:

The level of support shall be not less than the following percentage of the parity price:

If the supply percentage is—

Not more than 70.....	90
More than 70 but not more than 72.....	89
More than 72 but not more than 74.....	88
More than 74 but not more than 76.....	87
More than 76 but not more than 78.....	86
More than 78 but not more than 80.....	85
More than 80 but not more than 82.....	84
More than 82 but not more than 84.....	83
More than 84 but not more than 86.....	82
More than 86 but not more than 88.....	81
More than 88 but not more than 90.....	80
More than 90 but not more than 92.....	79
More than 92 but not more than 94.....	78
More than 94 but not more than 96.....	77
More than 96 but not more than 98.....	76
More than 98 but not more than 102.....	75
More than 102 but not more than 104.....	74
More than 104 but not more than 106.....	73
More than 106 but not more than 108.....	72
More than 108 but not more than 110.....	71
More than 110 but not more than 112.....	70

The level of support shall be not less than the following percentage of the parity price:

If the supply percentage is—

More than 112 but not more than 114-----	69
More than 114 but not more than 116-----	68
More than 116 but not more than 118-----	67
More than 118 but not more than 120-----	66
More than 120 but not more than 122-----	65
More than 122 but not more than 124-----	64
More than 124 but not more than 126-----	63
More than 126 but not more than 128-----	62
More than 128 but not more than 130-----	61
More than 130-----	60

“(3) Notwithstanding the foregoing provisions of this section—

“(A) the minimum level of price support to cooperators for any basic agricultural commodity shall be 120 per centum of the minimum level determined from the foregoing table, if acreage allotments are in effect at the beginning of the planting season for such commodity, or if marketing quotas are in effect at the beginning of the marketing year for such commodity; but in no case shall the level of price support for any commodity be increased thereby above 90 per centum of its parity price as of the beginning of the marketing year; and

“(B) the level of price support for any basic agricultural commodity normally marketed in any marketing year with respect to which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity as of the beginning of such marketing year.

“(4) The level at which the price of corn shall be supported for cooperators outside the commercial corn-producing area shall be 75 per centum of the level at which the price is supported for cooperators in the commercial corn-producing area with respect to corn.

“(5) Notwithstanding the foregoing provisions of this section, the level of price support to cooperators for any crop of tobacco for which marketing quotas are in effect shall be 90 per centum of its parity price as of the beginning of the marketing year.

“(c) The support price for any nonbasic agricultural commodity shall not exceed 90 per centum of the parity price for the commodity as of the beginning of the marketing year or season in the case of a commodity marketed on a marketing year or seasonal basis, and as of January 1 in the case of any other commodity. Any price support operation undertaken with respect to either turkeys or chickens shall be applicable to all chickens including broilers, appropriate adjustments being made as provided in subsection (e) of this section: *Provided*, That if any price support operation is undertaken with respect to either chickens or turkeys, the same parity price support operation shall be undertaken with respect to ducks and ducklings and other poultry. The price of wool shall be supported at such level, not in excess of 90 per centum nor less than 60 per centum of its parity price as of January 1, as the Secretary may consider necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool. The price of any kind of Irish potatoes harvested after December 31, 1949, shall be supported at not less than 60 per centum nor more than 90 per centum of the parity price for Irish potatoes as of the beginning of its marketing season. The Commodity Credit Corporation shall not carry out any operation to support the price of any nonbasic agricultural commodity (other than Irish potatoes) which is so perishable in nature as not to be reasonably storable without excessive loss or excessive cost; but any such operation may be carried out by the Secretary through other means available to him such as those provided by section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended: *Provided*, That the foregoing provisions shall not be construed to prohibit the Commodity Credit Corporation from supporting the price of any perishable nonbasic agricultural commodity by a loan, purchase, payment, or other operation undertaken with respect to a storable commodity processed from such perishable nonbasic agricultural commodity: *Provided further*, That the Secretary, in carrying out programs with respect to perishable and nonperishable commodities under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make

advance payments to it: *And provided further*, That in any fiscal year, if at the end of the preceding fiscal year the sums appropriated under said section 32 and remaining unexpended do not exceed \$300,000,000, Commodity Credit Corporation may, as provided in section 302 (a) of this Act, carry out any operation to support the price of any such perishable, nonbasic agricultural commodity to the extent that the reserve for the postwar price support of agriculture established pursuant to the First Supplemental Appropriation Rescission Act of 1946 (60 Stat. 8) and other funds appropriated for agricultural price support are sufficient to cover any losses which may be incurred in connection with such operation.

"(d) Notwithstanding the foregoing provisions of this section, price support operations at levels in excess of the maximum level of price support otherwise prescribed in this section may be undertaken whenever it is determined by the Secretary after reasonable public notice and public hearing with records of said hearing and a finding thereon by said Secretary available to the public that price support at such increased levels is necessary in order to increase or maintain the production of any agricultural commodity in the interest of national security.

"(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors, be equal to the level determined as provided in this section for such marketing year.

"(f) For the purposes of this section—

"(1) A 'cooperator' with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under this title, or, in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

"(2) A 'basic agricultural commodity' shall mean any of the commodities cotton, wheat, corn, tobacco, rice, and peanuts of a crop harvested after December 31, 1949.

"(3) A 'nonbasic agricultural commodity' shall mean any agricultural commodity other than a basic agricultural commodity.

"(g) No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this section unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

"(h) The Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than (1) a price determined on a pricing basis for its stocks of such commodity on hand, which makes due allowance for grade, type, quality, location, and other factors and which is reasonably calculated to reimburse it for costs incurred by it with respect to such stocks; (2) a price halfway between the support price, if any, and the parity price of such commodity; or (3) a price equivalent to 90 per centum of the parity price of such commodity, whichever price is the lowest, except that the foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or of nonbasic perishable commodities where there is danger of loss or waste through spoilage; (E) sales for the purpose of establishing claims against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses."

(b) Section 381 (c) of the Agricultural Adjustment Act of 1938 is repealed.

MARKETING QUOTAS

CORN

SEC. 203. (a) The first sentence of section 322 (a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"Whenever in any calendar year the Secretary determines—

"(1) that the total supply of corn for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of corn for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for corn for three successive months of the marketing year so ending does not exceed 66 per centum of parity.

the Secretary shall, not later than November 15 of such calendar year, proclaim such fact and marketing quotas shall be in effect in the commercial corn-producing area for the crop of corn grown in such area in the next succeeding calendar year and shall remain in effect until terminated in accordance with the provisions of this title."

(b) Sections 322 (b) and 322 (c) of the Agricultural Adjustment Act of 1938 and the joint resolution entitled "Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended", approved July 26, 1939 (53 Stat. 1125), are hereby repealed.

(c) Section 322 (d) of the Agricultural Adjustment Act of 1938 is amended (1) by striking out "(c)" and inserting in lieu thereof "(a)", and (2) by striking out "September" and inserting in lieu thereof "March".

WHEAT

SEC. 204. (a) Section 335 (a) of the Agricultural Adjustment Act of 1938 is amended by striking out the first two sentences thereof and inserting in lieu thereof the following:

"Whenever in any calendar year the Secretary determines—

"(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity

the Secretary shall, not later than July 1 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat."

(b) The first sentence of section 336 of the Agricultural Adjustment Act of 1938 is amended by striking out "June 10" and inserting in lieu thereof "July 25".

COTTON

SEC. 205. The first sentence of section 345 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"Whenever during any calendar year the Secretary determines—

"(1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum; or

"(2) that the total supply of cotton for the marketing year ending in such calendar year is not less than the normal supply for such marketing year, and that the average farm price for cotton for three successive months of such marketing year does not exceed 66 per centum of parity

the Secretary shall, not later than November 15 of such calendar year, proclaim such fact and marketing quotas shall be in effect with respect to cotton during the marketing year beginning in the next succeeding calendar year."

RICE

SEC. 206. The first sentence of section 355 (a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"Whenever during any calendar year the Secretary determines—

"(1) that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of rice for the marketing year ending in such calendar year is not less than the normal supply for such marketing year, and that the average farm price for rice for three successive months of such marketing year does not exceed 66 per centum of parity

the Secretary shall, not later than December 31 of such calendar year, proclaim such fact and, during the marketing year beginning in the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of rice by producers."

SEC. 207. The Agricultural Adjustment Act of 1938 is amended—

(a) By inserting in section 328 after the words "outside the commercial corn-producing area" the following: "or imported";

(b) By inserting in section 333 after "for such crop" the following: "and imports";

(c) By inserting in section 343 (a) after "August 1 of such succeeding calendar year" the following: "and imports";

(d) By striking out sections 359 (d) and 359 (e);

(e) By striking out of section 385 "or loan" and inserting in lieu thereof "loan, or price support operation".

TOBACCO

SEC. 208. Section 312 (a) of the Agricultural Adjustment Act of 1938 is amended by inserting before the period at the end of the first sentence a colon and the following: "Provided, That the Secretary shall proclaim a national marketing quota for each marketing year for each kind of tobacco for which a national marketing quota was proclaimed for the immediately preceding marketing year, and shall proclaim a national marketing quota for Virginia sun-cured tobacco for each marketing year for which a quota is proclaimed for fire-cured tobacco, and, beginning on the first day of the marketing year next following and continuing throughout such year, a national marketing quota shall be in effect for the tobacco marketed during such marketing year."

TITLE III—MISCELLANEOUS

SECTION 32 FUNDS

SEC. 301. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by adding at the end thereof the following: "The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C., title 31, sec. 712), and section 5 of the Act entitled 'An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes' (U. S. C., title 31, sec. 713)."

"PARITY"—OTHER STATUTES

SEC. 302. (a) Section 2 (1) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

"(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices as defined by section 301 (a) (1) of the Agricultural Adjustment Act of 1938."

(b) Section 8c(18) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

"(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 2 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices."

(c) Section 8c (17) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by striking out "and section 8e".

(d) Section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is repealed.

(e) Section 4 of the Agricultural Marketing Agreement Act of 1937, as amended, is amended by inserting after the section designation the subsection designation "(a)" and by adding at the end thereof a new subsection to read as follows:

"(b) Any program in effect under the Agricultural Adjustment Act, as reenacted and amended by this Act, on the effective date of section 302 of the Agricultural Act of 1948 shall continue in effect without the necessity for any amendatory action relative to such program, but any such program shall be continued in operation by the Secretary of Agriculture only to establish and maintain such orderly marketing conditions as will tend to effectuate the declared purpose set out in section 2 or 8c (18) of the Agricultural Adjustment Act, as reenacted and amended by this Act."

(f) All references in other laws to—

- (1) parity,
- (2) parity prices,
- (3) prices comparable to parity prices, or

(4) prices to be determined in the same manner as provided by the Agricultural Adjustment Act of 1938 prior to its amendment by this Act for the determination of parity prices, with respect to prices for agricultural commodities and products thereof, shall hereafter be deemed to refer to parity prices as determined in accordance with the provisions of section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended by this Act.

EFFECTIVE DATE

SEC. 303. Titles II and III of this Act shall take effect on January 1, 1950.
Approved July 3, 1948.

CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII of the House of Representatives, changes in existing law made by this bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is italicized, and existing law in which no change is proposed is shown in roman):

TITLES II AND III OF THE AGRICULTURAL ACT OF 1948

(Public Law 897, 80th Cong.)

[TITLE II—AMENDMENTS TO THE AGRICULTURAL ADJUSTMENT ACT OF 1938]

[DEFINITIONS OF "PARITY PRICE", "CARRY-OVER", "NORMAL SUPPLY", AND "TOTAL SUPPLY"]

[SEC. 201. Section 301 of the Agricultural Adjustment Act of 1938 is amended—

[“(a) By striking out paragraphs (1) and (2) of subsection (a) and inserting in lieu thereof the following:

[“(1) (A) The ‘parity price’ for any agricultural commodity, as of any date, shall be determined by multiplying the adjusted base price of such commodity as of such date by the parity index as of such date.

[“(B) The ‘adjusted base price’ of any agricultural commodity, as of any date, shall be (i) the average of the prices received by farmers for such commodity, at such times as the Secretary may select during each year of the ten-year period ending on the 31st of December last before such date, or during each marketing season beginning in such period if the Secretary determines use of a calendar year basis to be impracticable, divided by (ii) the ratio of the general level of prices received by farmers for agricultural commodities during such period to the general level of prices received by farmers for agricultural commodities during the period January 1910 to December 1914, inclusive.

[“(C) The ‘parity index’, as of any date, shall be the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, rates, and taxes during the period January 1910 to December 1914, inclusive.

[“(D) The prices and indices provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final.

[“(E) Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

[“(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

[“(ii) five per centum of the parity price so determined multiplied by the number of full calendar years which, as of such date, have elapsed after January 1, 1949.

[“(F) Notwithstanding the provisions of subparagraphs (A) and (E), if the parity price for any agricultural commodity, computed as provided in subparagraphs (A) and (E) appears to be seriously out of line with the parity prices of other agricultural commodities, the Secretary may, and upon the request of a substantial number of interested producers shall, hold public hearings to determine the proper relationship between the parity price of such commodity and the parity prices of other agricultural commodities. Within sixty days after commencing such hearing the Secretary shall complete such hearing, proclaim his findings as to whether the facts require a revision of the method of computing the parity price of such commodity, and put into effect any revision so found to be required.

[“(2) ‘Parity’, as applied to income, shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation. ‘Parity’ as applied to income from any agricultural commodity for any year, shall be that gross income which bears the same relationship to parity income from agriculture for such year as the average gross income from such commodity for the preceding ten calendar years bears to the average gross income from agriculture for such ten calendar years.”

[“(b) By amending paragraph (3) (A) of subsection (b) to read as follows:

[“(A) ‘Carry-over’, in the case of corn, rice, and peanuts for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any quantity which was produced in the United States during the calendar year then current.”]

[(c) By amending paragraph (3) (B) of subsection (b) to read as follows:

["(B) 'Carry-over' of cotton for any marketing year shall be the quantity of cotton on hand within the United States at the beginning of such marketing year, which was produced in the United States prior to the beginning of the calendar year then current, plus the quantity on hand within the United States at the beginning of such marketing year which was produced outside the United States."]

[(d) By striking out paragraph (10) of subsection (b) and inserting in lieu thereof the following:

["(10) (A) 'Normal supply' in the case of corn, cotton, rice, wheat, and peanuts for any marketing year shall be (i) the estimated domestic consumption of the commodity for the marketing year ending immediately prior to the marketing year for which normal supply is being determined, plus (ii) the estimated exports of the commodity for the marketing year for which normal supply is being determined, plus (iii) an allowance for carry-over. The allowance for carry-over shall be the following percentage of the sum of the consumption and exports used in computing normal supply: 7 per centum in the case of corn; 30 per centum in the case of cotton; 10 per centum in the case of rice; 15 per centum in the case of wheat; and 15 per centum in the case of peanuts. In determining normal supply the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

["(B) 'Normal supply' in the case of tobacco shall be a normal year's domestic consumption and exports, plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over."]

[(c) By amending paragraph (16) of subsection (b) to read as follows:

["(A) 'Total supply' of cotton, wheat, corn, rice, and peanuts for any marketing year shall be the carry-over of the commodity for such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

["(B) 'Total supply' of tobacco for any marketing year shall be the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins, except that the estimated production of type-46 tobacco during the marketing year with respect to which the determination is being made shall be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar filler and cigar binder tobacco."]

[PRICE SUPPORT

[SEC. 202. (a) Section 302 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

["SEC. 302. (a) The Secretary, through the Commodity Credit Corporation (except as provided in subsection (c)) and other means available to him, is authorized to support prices of agricultural commodities to producers through loans, purchases, payments, and other operations. Except as otherwise provided in this section, the amounts, terms, and conditions of such price-support operations, and the extent to which such operations are carried out, shall, in the case of operations carried out by Commodity Credit Corporation, be determined by the Corporation with the approval and subject to the direction of the Secretary, and, in the case of operations carried out by other means, be determined by the Secretary. In making such determinations, consideration shall be given to (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported, (3) the availability of funds, (4) the perishability of the commodity, (5) its importance to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand. Compliance by the producer with acreage allotments, production goals, and marketing practices prescribed by the Secretary may be required as a condition of eligibility for price support. The Secretary shall in all cases give consideration to the practicability of supporting prices indirectly, as by the development of improved merchandising methods, rather than directly by purchase or loan.

["(b) (1) Price support shall be made available to producers of any basic agricultural commodity at levels determined as hereinafter provided in this subsection. On the basis of the latest available statistics of the Department of

Agriculture as of the beginning of each marketing year for each such basic agricultural commodity, the Secretary shall, with respect to such marketing year and such basic agricultural commodity—

“(i) estimate the total supply;

“(ii) determine the normal supply; and

“(iii) determine the percentage which the estimated total supply is of the normal supply (such percentage being referred to herein as the ‘supply percentage’).

“(2) The level at which the price of such basic agricultural commodity for such marketing year shall be supported for cooperators (other than cooperators outside the commercial corn-producing area, in the case of corn) shall not exceed 90 per centum of the parity price of such commodity as of the beginning of the marketing year or be less than the percentage of its parity price as of the beginning of such marketing year determined from the following table:

The level of support shall be not less than the following percentage of the parity price:

“If the supply percentage is:

Not more than 70.....	90
More than 70 but not more than 72.....	89
More than 72 but not more than 74.....	88
More than 74 but not more than 76.....	87
More than 76 but not more than 78.....	86
More than 78 but not more than 80.....	85
More than 80 but not more than 82.....	84
More than 82 but not more than 84.....	83
More than 84 but not more than 86.....	82
More than 86 but not more than 88.....	81
More than 88 but not more than 90.....	80
More than 90 but not more than 92.....	79
More than 92 but not more than 94.....	78
More than 94 but not more than 96.....	77
More than 96 but not more than 98.....	76
More than 98 but not more than 102.....	75
More than 102 but not more than 104.....	74
More than 104 but not more than 106.....	73
More than 106 but not more than 108.....	72
More than 108 but not more than 110.....	71
More than 110 but not more than 112.....	70
More than 112 but not more than 114.....	69
More than 114 but not more than 116.....	68
More than 116 but not more than 118.....	67
More than 118 but not more than 120.....	66
More than 120 but not more than 122.....	65
More than 122 but not more than 124.....	64
More than 124 but not more than 126.....	63
More than 126 but not more than 128.....	62
More than 128 but not more than 130.....	61
More than 130.....	60

“(3) Notwithstanding the foregoing provisions of this section—

“(A) the minimum level of price support to cooperators for any basic agricultural commodity shall be 120 per centum of the minimum level determined from the foregoing table, if acreage allotments are in effect at the beginning of the planting season for such commodity, or if marketing quotas are in effect at the beginning of the marketing year for such commodity; but in no case shall the level of price support for any commodity be increased thereby above 90 per centum of its parity price as of the beginning of the marketing year; and

“(B) the level of price support for any basic agricultural commodity normally marketed in any marketing year with respect to which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity as of the beginning of such marketing year.

“(4) The level at which the price of corn shall be supported for cooperators outside the commercial corn-producing area shall be 75 per centum of the level at which the price is supported for cooperators in the commercial corn-producing area with respect to corn.

["(5) Notwithstanding the foregoing provisions of this section, the level of price support to cooperators for any crop of tobacco for which marketing quotas are in effect shall be 90 per centum of its parity price as of the beginning of the marketing year.

["(c) The support price for any nonbasic agricultural commodity shall not exceed 90 per centum of the parity price for the commodity as of the beginning of the marketing year or season in the case of a commodity marketed on a marketing year or seasonal basis, and as of January 1 in the case of any other commodity. Any price support operation undertaken with respect to either turkeys or chickens shall be applicable to all chickens including broilers, appropriate adjustments being made as provided in subsection (e) of this section: *Provided*, That if any price support operation is undertaken with respect to either chickens or turkeys, the same parity price support operation shall be undertaken with respect to ducks and ducklings and other poultry. The price of wool shall be supported at such level, not in excess of 90 per centum nor less than 60 per centum of its parity price as of January 1, as the Secretary may consider necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool. The price of any kind of Irish potatoes harvested after December 31, 1949, shall be supported at not less than 60 per centum nor more than 90 per centum of the parity price for Irish potatoes as of the beginning of its marketing season. The Commodity Credit Corporation shall not carry out any operation to support the price of any nonbasic agricultural commodity (other than Irish potatoes) which is so perishable in nature as not to be reasonably storable without excessive loss or excessive cost; but any such operation may be carried out by the Secretary through other means available to him such as those provided by section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended: *Provided*, That the foregoing provisions shall not be construed to prohibit the Commodity Credit Corporation from supporting the price of any perishable nonbasic agricultural commodity by a loan, purchase, payment, or other operation undertaken with respect to a storable commodity processed from such perishable nonbasic agricultural commodity: *Provided further*, That the Secretary, in carrying out programs with respect to perishable and nonperishable commodities under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it: *And provided further*, That in any fiscal year, if at the end of the preceding fiscal year the sums appropriated under said section 32 and remaining unexpended do not exceed \$300,000,000, Commodity Credit Corporation may, as provided in section 302 (a) of this Act, carry out any operation to support the price of any such perishable, nonbasic agricultural commodity to the extent that the reserve for the postwar price support of agriculture established pursuant to the First Supplemental Appropriation Rescission Act of 1946 (60 Stat. 8) and other funds appropriated for agricultural price support are sufficient to cover any losses which may be incurred in connection with such operation.

["(d) Notwithstanding the foregoing provisions of this section, price-support operations at levels in excess of the maximum level of price support otherwise prescribed in this section may be undertaken whenever it is determined by the Secretary after reasonable public notice and public hearing with records of said hearing and a finding thereon by said Secretary available to the public that price support at such increased levels is necessary in order to increase or maintain the production of any agricultural commodity in the interest of national security.

["(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors, be equal to the level determined as provided in this section for such marketing year.

["(f) For the purposes of this section—

"(1) A 'cooperator' with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm-acreage allotment for the commodity under this title, or, in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm-acreage allotment unless such producer knowingly exceeded such allotment.

"(2) A 'basic agricultural commodity' shall mean any of the commodities cotton, wheat, corn, tobacco, rice, and peanuts of a crop harvested after December 31, 1949.

"(3) A 'nonbasic agricultural commodity' shall mean any agricultural commodity other than a basic agricultural commodity.

["(g) No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this section unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

["(h) The Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than (1) a price determined on a pricing basis for its stocks of such commodity on hand, which makes due allowance for grade, type, quality, location, and other factors and which is reasonably calculated to reimburse it for costs incurred by it with respect to such stocks; (2) a price halfway between the support price, if any, and the parity price of such commodity; or (3) a price equivalent to 90 per centum of the parity price of such commodity, whichever price is the lowest, except that the foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or of nonbasic perishable commodities where there is danger of loss or waste through spoilage; (E) sales for the purpose of establishing claims against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses."

["(b) Section 381 (c) of the Agricultural Adjustment Act of 1938 is repealed.

["MARKETING QUOTAS

["CORN

["SEC. 203. (a) The first sentence of section 322 (a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

[""Whenever in any calendar year the Secretary determines—

"(1) that the total supply of corn for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of corn for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for corn for three successive months of the marketing year so ending does not exceed 66 per centum of parity the Secretary shall, not later than November 15 of such calendar year, proclaim such fact and marketing quotas shall be in effect in the commercial corn producing area for the crop of corn grown in such area in the next succeeding calendar year and shall remain in effect until terminated in accordance with the provisions of this title."

["(b) Sections 322 (b) and 322 (c) of the Agricultural Adjustment Act of 1938 and the joint resolution entitled "Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended", approved July 26, 1939 (53 Stat. 1125), are hereby repealed.

["(c) Section 322 (d) of the Agricultural Adjustment Act of 1938 is amended (1) by striking out "(c)" and inserting in lieu thereof "(a)", and (2) by striking out "September" and inserting in lieu thereof "March".

["WHEAT

["SEC. 204. (a) Section 335 (a) of the Agricultural Adjustment Act of 1938 is amended by striking out the first two sentences thereof and inserting in lieu thereof the following:

[""Whenever in any calendar year the Secretary determines—

"(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity the Secretary shall, not later than July 1 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat."

[(b) The first sentence of section 336 of the Agricultural Adjustment Act of 1938 is amended by striking out "June 10" and inserting in lieu thereof "July 25".

[COTTON

[SEC. 205. The first sentence of section 345 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

["Whenever during any calendar year the Secretary determines—

"(1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 per centum; or

"(2) that the total supply of cotton for the marketing year ending in such calendar year is not less than the normal supply for such marketing year, and that the average farm price for cotton for three successive months of such marketing year does not exceed 66 per centum of parity the Secretary shall, not later than November 15 of such calendar year, proclaim such fact and marketing quotas shall be in effect with respect to cotton during the marketing year beginning in the next succeeding calendar year."

[RICE

[SEC. 206. The first sentence of section 355 (a) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"Whenever during any calendar year the Secretary determines—

"(1) that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

"(2) that the total supply of rice for the marketing year ending in such calendar year is not less than the normal supply for such marketing year, and that the average farm price for rice for three successive months of such marketing year does not exceed 66 per centum of parity the Secretary shall, not later than December 31 of such calendar year, proclaim such fact and, during the marketing year beginning in the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of rice by producers."

[SEC. 207. The Agricultural Adjustment Act of 1938 is amended—

(a) By inserting in section 328 after the words "outside the commercial corn-producing area" the following: "or imported";

(b) By inserting in section 333 after "for such crop" the following: "and imports";

(c) By inserting in section 343 (a) after "August 1 of such succeeding calendar year" the following: "and imports";

(d) By striking out sections 359 (d) and 359 (e);

(e) By striking out section 385 "or loan" and inserting in lieu thereof "loan, or price support operation".

[TOBACCO

[SEC. 208. Section 312 (a) of the Agricultural Adjustment Act of 1938 is amended by inserting before the period at the end of the first sentence a colon and the following: "Provided, That the Secretary shall proclaim a national marketing quota for each marketing year for each kind of tobacco for which a national marketing quota was proclaimed for the immediately preceding marketing year, and shall proclaim a national marketing quota for Virginia sun-cured tobacco for each marketing year for which a quota is proclaimed for fire-cured tobacco, and, beginning on the first day of the marketing year next following and continuing throughout such year, a national marketing quota shall be in effect for the tobacco marketed during such marketing year."

[TITLE III—MISCELLANEOUS

[SECTION 32 FUNDS

[SEC. 301. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by adding at the end thereof the following: "The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C., title 31, sec. 712), and section 5 of the Act entitled 'An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes' (U. S. C., title 31, sec. 713)."

[“PARITY”—OTHER STATUTES

[SEC. 302. (a) Section 2 (1) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

[(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices as defined by section 301 (a) (1) of the Agricultural Adjustment Act of 1938.”

[(b) Section 8c (18) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

[(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 2 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.”

[(c) Section 8c (17) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by striking out “and section 8e”.

[(d) Section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is repealed.

[(e) Section 4 of the Agricultural Marketing Agreement Act of 1937, as amended, is amended by inserting after the section designation the subsection designation “(a)” and by adding at the end thereof a new subsection to read as follows:

[(b) Any program in effect under the Agricultural Adjustment Act, as reenacted and amended by this Act, on the effective date of section 302 of the Agricultural Act of 1948 shall continue in effect without the necessity for any amendatory action relative to such program, but any such program shall be continued in operation by the Secretary of Agriculture only to establish and maintain such orderly marketing conditions as will tend to effectuate the declared purpose set out in section 2 or 8c (18) of the Agricultural Adjustment Act, as reenacted and amended by this Act.”

[(f) All references in other laws to—

- (1) parity,
- (2) parity prices,
- (3) prices comparable to parity prices, or
- (4) prices to be determined in the same manner as provided by the Agri-

cultural Adjustment Act of 1938 prior to its amendment by this Act for the determination of parity prices, with respect to prices for agricultural commodities and products thereof, shall hereafter be deemed to refer to parity prices as determined in accordance with the provisions of section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended by this Act.

[EFFECTIVE DATE

[SEC. 303. Titles II and III of this Act shall take effect on January 1, 1950.]

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

(7 U. S. C. 1281 et seq.)

TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, AND MARKETING QUOTAS

SUBTITLE A. DEFINITIONS, LOANS, PARITY PAYMENTS, AND CONSUMER SAFEGUARDS

SEC. 301. GENERAL DEFINITIONS.—For the purposes of this title and the declaration of policy—

[(1) "Parity", as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period. The base period in case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914. In the case of all kinds of tobacco except Burley and flue-cured such base period shall be the period August 1919 to July 1929, and, in the case of Burley and flue-cured tobacco, shall be the period August 1934 to July 1939; except that the August 1919–July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940.]

“(1) (A) The term ‘income support standard’, as of any date, means the average annual aggregate purchasing power of cash receipts from all farm marketings, including production payments made under section 302 of this title, during a period consisting of the first ten of the preceding twelve calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive) computed as follows: (i) Divide such cash receipts for each of such ten years by the parity index for such year; (ii) add the amount obtained under (i) above for each of the ten years and divide by ten; (iii) multiply the amount obtained under (ii) above by the most recent parity index.

“(B) The term ‘parity index’, as of any date, means the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, interest, and taxes during a period consisting of the first ten of the last preceding twelve calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive). The parity index for any year shall be the simple average of the twelve monthly parity indexes computed for such year.

“(C) The term ‘parity price’ for each agricultural commodity means a price computed as follows: Multiply the average of the prices received by farmers (including any production payments made under section 302 of this title) for the commodity for each of the ten immediately preceding calendar years, or for each marketing season beginning in such period if the Secretary determines that use of a calendar year basis is impracticable, by the ratio of (i) the current income support standard to (ii) the actual average level of cash receipts from farm marketings, including production payments made under section 302 of this title, during the ten immediately preceding years.

"(D) The standards, prices, and indexes provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final and conclusive."

SEC. 302. [(a) The Commodity Credit Corporation is authorized, upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). Except as otherwise provided in this section, the amount, terms, and conditions of such loans shall be fixed by the Secretary, subject to the approval of the Corporation and the President.]

[(b) The Corporation is directed to make available to cooperators loans upon wheat during any marketing year beginning in a calendar year in which the farm price of wheat on June 15 or at any time thereafter during such marketing year is below 52 per centum of the parity price at any such time, or the July crop estimate for wheat is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of wheat at the beginning of the marketing year. In case marketing quotas for wheat are in effect in any marketing year, the Corporation is directed to make available, during such marketing year, to noncooperators, loans upon wheat at 60 per centum of the rate applicable to cooperators. A loan on wheat to a noncooperator shall be made only on so much of his wheat as would be subject to penalty if marketed.]

[(c) The Corporation is directed to make available to cooperators loans upon cotton during any marketing year beginning in a calendar year in which the average price on August 1 or at any time thereafter during such marketing year of seven-eighths Middling spot cotton on the ten markets designated by the Secretary is below 52 per centum of the parity price of cotton at any such time or the August crop estimate for cotton is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of cotton as of the beginning of the marketing year. In case marketing quotas for cotton are in effect in any marketing year, the Corporation is directed to make available, during such marketing year, to noncooperators, loans upon cotton at 60 per centum of the rate applicable to cooperators. A loan on cotton to a noncooperator shall be made only on so much of his cotton as would be subject to penalty if marketed.]

[(d) The Corporation is directed to make available loans upon corn during any marketing year beginning in the calendar year in which the November crop estimate for corn is in excess of a normal year's domestic consumption and exports, or in any marketing year when on November 15 or at any time thereafter during such marketing year the farm price of corn is below 75 per centum of the parity price, at the following rates:

[75 per centum of such parity price if such estimate does not exceed a normal year's consumption and exports and the farm price of corn is below 75 per centum of the parity price on November 15 or at any time thereafter during such marketing year;

[70 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by not more than 10 per centum;

[65 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 10 per centum and not more than 15 per centum;

[60 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 15 per centum and not more than 20 per centum;

[55 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 20 per centum and not more than 25 per centum;

[52 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 25 per centum.

Loans shall be made to cooperators in the commercial corn-producing area at the applicable rate of the above schedule. Loans shall be made to noncooperators within such commercial corn-producing area but only during a marketing year in which farm marketing quotas are in effect and only on corn stored under seal pursuant to section 324, and the rate of such loans shall be 60 per centum of the applicable rate under the above schedule. Loans shall be made to cooperators outside such commercial corn-producing area, and the rate of such loans shall be 75 per centum of the applicable rate under the above schedule.]

[(e) The rates of loans under subsections (b), (c), and (d) on wheat, cotton, and corn not of standard grade, type, staple, or quality shall be increased or decreased in relation to the rates above provided by such amounts as the Secretary

prescribes as properly reflecting differences from standard in grade, type, staple, and quality.

[(f) For the purposes of subsections (b), (c), and (d) a cooperator shall be a producer on whose farm the acreage planted to the commodity for the crop with respect to which the loan is made does not exceed the farm acreage allotment for the commodity under this title, or, in the case of loans upon corn to a producer outside the commercial corn-producing area, a producer on whose farm the acreage planted to soil-depleting crops does not exceed the farm acreage allotment for soil-depleting crops for the year in which the loan is made under the Soil Conservation and Domestic Allotment Act, as amended. For the purposes of this subsection a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded his farm acreage allotment.]

[(g) Notwithstanding any other provision of this section, if the farmers producing cotton, wheat, corn, or rice indicate by vote in a referendum carried out pursuant to the provisions of this title that marketing quotas with respect to such commodity are opposed by more than one-third of the farmers voting in such referendum, no loan shall be made pursuant to this section with respect to the commodity during the period from the date on which the results of the referendum are proclaimed by the Secretary until the beginning of the second succeeding marketing year for such commodity. This subsection shall not limit the availability or renewal of any loan previously made.]

[(h) No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan under this section unless such loan was obtained through fraudulent representations by the producer.]

[(i) In carrying out this section the Corporation is directed, with the consent of the Secretary, to utilize the services, facilities, and personnel of the Department.]

SEC. 302. (a) The Secretary, through the Commodity Credit Corporation and other means available to him is authorized to support prices of agricultural commodities to producers through loans, purchases, and other operations. In addition, the Secretary is authorized at any one time to support the prices of not more than three agricultural commodities to producers thereof through production payments alone, or in combination with other types of price support, if he determines that the use of production payments is the most effective and practicable method of providing price support, and that the use of production payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity. Such three agricultural commodities shall not include milk, butterfat, or any commodity (other than shorn wool) which can be stored without excessive loss or cost. Except as otherwise provided in this section, the type, amount, terms, and conditions of price-support operations, and the extent to which such operations are carried out, shall be determined by the Secretary.

(b) Price support shall be made available to the producers of corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool (including mohair), at levels equal to the parity price for each of such commodities. If acreage allotments or marketing quotas are in effect, the price support level for corn for producers outside the commercial corn-producing area shall be 75 per centum of the level at which the price of corn is supported in the commercial corn-producing area. Notwithstanding the foregoing provisions of this section, if the Secretary determines that the parity prices for corn, wheat, milk, butterfat, and hogs are not in such proper relation as to permit the maintenance of desirable feed ratios, the levels at which such commodities are to be supported may be adjusted by not more than 10 per centum on any such commodity to levels which the Secretary determines will reflect desirable feed ratios.

(c) Price support shall be made available to the producers of cottonseed and of agricultural commodities (other than those specified in subsection (b) of this section) for which the Secretary by public announcement pursuant to the Act of July 1, 1941, as amended (55 Stat. 498), requested an expansion of production, at levels not in excess of the parity price, taking into account the following factors: (1) The supply of the commodity in relation to the demand therefor; (2) the price levels at which other commodities are being supported, including the feeding values of other grains in relation to corn; (3) the perishability of the commodity; (4) the ability to dispose of stocks acquired through a price support operation; (5) the need for offsetting temporary losses of export markets; and (6) the ability and willingness of producers to keep marketings and supplies in line with demand.

(d) It is hereby declared to be the policy of Congress that the price support operations of the Department of Agriculture or any instrumentality or agency under the supervision or direction of the Secretary with respect to agricultural commodities (other than those required to be supported by subsections (b) and (c) of this section)

shall be carried out so as to bring the prices received by the producers of such commodities into a fair and comparable relationship with the prices received by producers of other agricultural commodities taking into account the availability of funds and the factors enumerated in subsection (c) hereof.

(e) The levels of price support provided herein shall be based upon the parity prices for the respective commodities, computed as of the beginning of the marketing year or season, in the case of those commodities marketed on a marketing year or seasonal basis, and as of January 1, in the case of commodities not so marketed (the parity price as of July 1 may be used for the last six months of the year, in the latter case, if the Secretary so determines).

(f) If producers have disapproved marketing quotas with respect to any agricultural commodity in a referendum held with respect to such quotas no price support operations shall be undertaken with respect to the crop of the commodity to which the marketing quotas would have been applicable: Provided, That the disapproval of marketing quotas in any one referendum shall not prohibit price support operations with respect to more than one crop of the commodity. The Secretary may also require, as a condition to undertaking a price support operation for any agricultural commodity, that appropriate marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, be in effect for the commodity in applicable regional production or marketing areas prescribed by the Secretary.

(g) Nothing in this section shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season (January 1 or July 1 in the case of commodities not marketed on a marketing year or season basis) if the level of price support so announced does not exceed the estimated parity price, based upon the latest information and statistics available to the Secretary when such level of price support is announced, and the level of price support so announced shall not be reduced if the parity price, when determined, is less than the level so announced.

(h) Notwithstanding any other provision of this section, price support for any agricultural commodity at a level in excess of the parity price for such commodity may be undertaken whenever it is determined by the Secretary, and public notice given thereof, that price support at such increased level is necessary in order to increase or maintain the production of such commodity in the national interest.

(i) In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when otherwise authorized by law), as prescribed by the Secretary may be required as a condition of eligibility for price support. If acreage allotments are in effect for any commodity, the Secretary shall prescribe, as a minimum condition of eligibility for price support, that the producer shall not have knowingly overplanted such acreage allotment.

(j) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, location, and other factors, except that the support price for milk shall be adjusted so that milk used in the manufacture of dairy products shall be supported at not less than 88½ per centum of the parity price for whole milk, subject to the feed ratio adjustment authorized in subsection (b) of this section, and in the case of cotton, the standard grade for purposes of price support shall be middling seven-eighths-inch cotton.

(k) No producer shall be personally liable for any deficiency arising from the sale of collateral securing any loan under this section unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

(l) If the price of any agricultural commodity is supported by production payments (as authorized in section 302 (a) hereof), the Secretary may determine the rate or rates of payment annually, or periodically, on the basis of the amount by which the estimated average price to producers of the commodity nationally, or in such areas as the Secretary may determine, for the period to which the rate relates is less than the level of price support therefor; and such rate or rates may be adjusted by the Secretary, for differences in grade, type, location, and other factors, if he determines that such adjustments are practicable and essential to the effective operation of the price-support program for such commodity. Production payments shall, so far as practicable, be limited to the quantities of the commodity marketed by the producer. Production payments need not be made with respect to any commodity or any production thereof if the Secretary determines that the total amount of production pay-

ments which would be made to the producers of the commodity is too small to justify the administrative cost of making such payments.

(m) The Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than the current price support level for such commodity plus an allowance for approximate carrying charges, except that the foregoing restrictions shall not apply to (1) sales for new or byproduct uses; (2) sales of peanuts for the extraction of oil; (3) sales for seed or feed if such sales will not substantially impair any price support program; (4) sales of commodities which have substantially deteriorated in quality or of commodities where there is a danger of loss or waste through spoilage; (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful act with respect to the commodities; (6) sales for export; (7) sales of wool (including mohair); and (8) sales for other than primary uses.

(n) The Secretary, in carrying out programs with respect to any agricultural commodity under section 32 of the Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it.

(o) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506), shall continue in effect.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

SEC. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to [January 1, 1951,] *January 1, 1953*, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after [December 31, 1950,] *December 31, 1952*, except with respect to payments or grants in connection with farming operations carried out prior to [January 1, 1951,] *January 1, 1953*.

SECTION 32 OF PUBLIC LAW 320, SEVENTY-FOURTH CONGRESS

There is appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations, or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 per centum of the funds available under this section for such fiscal year. *The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the*

same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (31 U. S. C., 1946 edition, sec. 712), and section 5 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes".

SECTION 4 OF THE ACT OF MARCH 8, 1938, AS AMENDED (15 U. S. C. 1946 ED. 713a-4)

With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding \$4,750,000,000. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under sections 745, 747, 752, 752a, 753, 754, 754a, 754b, 757, 757b, 757c, 758, 760, 764-766, 769, 771, 773, 774 (2), and 801 of Title 31, and the purposes for which securities may be issued under such sections, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same. **[.]** *Provided, That the foregoing shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act.* The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

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81ST CONGRESS
1ST SESSION

H. R. 5345

[Report No. 998]

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1949

Mr. PACE introduced the following bill; which was referred to the Committee on Agriculture

JULY 7, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Act of
4 1949".

5 SEC. 2. Section 301 (a) (1) of the Agricultural Ad-
6 justment Act of 1938, as amended, is amended to read as
7 follows:

8 “(1) (A) The term ‘income support standard’, as of
9 any date, means the average annual aggregate purchasing
10 power of cash receipts from all farm marketings, including
11 production payments made under section 302 of this title,

1 during a period consisting of the first ten of the preceding
2 twelve calendar years (except that during 1950, such period
3 shall consist of the calendar years 1939 through 1948, inclu-
4 sive) computed as follows: (i) Divide such cash receipts for
5 each of such ten years by the parity index for such year;
6 (ii) add the amount obtained under (i) above for each of
7 the ten years and divide by ten; (iii) multiply the amount
8 obtained under (ii) above by the most recent parity index.

9 “(B) The term ‘parity index’, as of any date, means
10 the ratio of (i) the general level of prices for articles and
11 services that farmers buy, interest on farm indebtedness
12 secured by farm real estate, and taxes on farm real estate, for
13 the calendar month ending last before such date to (ii) the
14 general level of such prices, interest, and taxes during a
15 period consisting of the first ten of the last preceding twelve
16 calendar years (except that during 1950, such period shall
17 consist of the calendar years 1939 through 1948, inclusive).
18 The parity index for any year shall be the simple average
19 of the twelve monthly parity indexes computed for such
20 year.

21 “(C) The term ‘parity price’ for each agricultural com-
22 modity means a price computed as follows: Multiply the
23 average of the prices received by farmers (including any
24 production payments made under section 302 of this title)
25 for the commodity for each of the ten immediately pre-

1 ceding calendar years, or for each marketing season beginning
2 in such period if the Secretary determines that use of a
3 calendar year basis is impracticable, by the ratio of (i) the
4 current income support standard to (ii) the actual aver-
5 age level of cash receipts from farm marketings, including
6 production payments made under section 302 of this title.
7 during the ten immediately preceding years.

8 “(D) The standards, prices, and indexes provided for
9 herein, and the data used in computing them, shall be deter-
10 mined by the Secretary, whose determination shall be final
11 and conclusive.”

12 SEC. 3. Section 302 of the Agricultural Adjustment Act
13 of 1938, as amended, is amended to read as follows:

14 “SEC. 302. (a) The Secretary, through the Commodity
15 Credit Corporation and other means available to him is
16 authorized to support prices of agricultural commodities to
17 producers through loans, purchases, and other operations.
18 In addition, the Secretary is authorized at any one time to
19 support the prices of not more than three agricultural com-
20 modities to producers thereof through production payments
21 alone, or in combination with other types of price support.
22 if he determines that the use of production payments
23 is the most effective and practicable method of pro-
24 viding price support, and that the use of production payments
25 will not substantially reduce the market price of, or the de-

1 mand for, any other agricultural commodity. Such three
2 agricultural commodities shall not include milk, butterfat.
3 or any commodity (other than shorn wool) which can be
4 stored without excessive loss or cost. Except as otherwise
5 provided in this section, the type, amount, terms and condi-
6 tions of price support operations, and the extent to which
7 such operations are carried out, shall be determined by the
8 Secretary.

9 “(b) Price support shall be made available to the pro-
10 ducers of corn, cotton, wheat, tobacco, rice, peanuts, hogs,
11 milk, butterfat, and shorn wool (including mohair), at levels
12 equal to the parity price for each of such commodi-
13 ties. If acreage allotments or marketing quotas are in effect,
14 the price support level for corn for producers outside the
15 commercial corn-producing area shall be 75 per centum of
16 the level at which the price of corn is supported in the com-
17 mercial corn-producing area. Notwithstanding the foregoing
18 provisions of this section, if the Secretary determines that
19 the parity prices for corn, wheat, milk, butterfat, and
20 hogs are not in such proper relation as to permit the
21 maintenance of desirable feed ratios, the levels at which such
22 commodities are to be supported may be adjusted by not
23 more than 10 per centum on any such commodity to levels
24 which the Secretary determines will reflect desirable feed
25 ratios.

1 “(c) Price support shall be made available to the
2 producers of cottonseed and of agricultural commodities
3 (other than those specified in subsection (b) of this section)
4 for which the Secretary by public announcement pursuant to
5 the Act of July 1, 1941, as amended (55 Stat. 498), re-
6 quested an expansion of production, at levels not in excess of
7 the parity price, taking into account the following factors:
8 (1) The supply of the commodity in relation to the demand
9 therefor; (2) the price levels at which other commodities
10 are being supported, including the feeding values of other
11 grains in relation to corn; (3) the perishability of the com-
12 modity; (4) the ability to dispose of stocks acquired through
13 a price support operation; (5) the need for offsetting tem-
14 porary losses of export markets; and (6) the ability and
15 willingness of producers to keep marketings and supplies in
16 line with demand.

17 “(d) It is hereby declared to be the policy of Congress
18 that the price support operations of the Department of
19 Agriculture or any instrumentality or agency under the
20 supervision or direction of the Secretary with respect to
21 agricultural commodities (other than those required to be
22 supported by subsections (b) and (c) of this section)
23 shall be carried out so as to bring the prices received by the
24 producers of such commodities into a fair and comparable
25 relationship with the prices received by producers of other

1 agricultural commodities taking into account the avail-
2 ability of funds and the factors enumerated in subsection
3 (c) hereof.

4 “(e) The levels of price support provided herein shall
5 be based upon the parity prices for the respective
6 commodities, computed as of the beginning of the marketing
7 year or season, in the case of those commodities marketed
8 on a marketing year or seasonal basis, and as of January 1,
9 in the case of commodities not so marketed (the parity price
10 as of July 1 may be used for the last six months of the
11 year, in the latter case, if the Secretary so determines).

12 “(f) If producers have disapproved marketing quotas
13 with respect to any agricultural commodity in a referendum
14 held with respect to such quotas no price support opera-
15 tions shall be undertaken with respect to the crop of the
16 commodity to which the marketing quotas would have been
17 applicable: *Provided*, That the disapproval of marketing
18 quotas in any one referendum shall not prohibit price sup-
19 port operations with respect to more than one crop of the
20 commodity. The Secretary may also require, as a condi-
21 tion to undertaking a price support operation for any agri-
22 cultural commodity, that appropriate marketing orders under
23 the Agricultural Marketing Agreement Act of 1937, as
24 amended, be in effect for the commodity in applicable re-

1 gional production or marketing areas prescribed by the
2 Secretary.

3 “(g) Nothing in this section shall prevent the an-
4 nouncement of the level of price support for any agricul-
5 tural commodity in advance of the beginning of the mar-
6 keting year or season (January 1 or July 1 in the case of
7 commodities not marketed on a marketing year or season
8 basis) if the level of price support so announced does not
9 exceed the estimated parity price, based upon the latest
10 information and statistics available to the Secretary when
11 such level of price support is announced, and the level of
12 price support so announced shall not be reduced if the
13 parity price, when determined, is less than the level so
14 announced.

15 “(h) Notwithstanding any other provision of this sec-
16 tion, price support for any agricultural commodity at a level
17 in excess of the parity price for such commodity may
18 be undertaken whenever it is determined by the Secre-
19 tary, and public notice given thereof, that price support at
20 such increased level is necessary in order to increase or
21 maintain the production of such commodity in the national
22 interest.

23 “(i) In carrying out the provisions of this section, com-
24 pliance by the producer with acreage allotments, production

1 goals, and marketing practices (including marketing quotas
2 when otherwise authorized by law), as prescribed by the
3 Secretary may be required as a condition of eligibility for
4 price support. If acreage allotments are in effect for any
5 commodity, the Secretary shall prescribe, as a minimum
6 condition of eligibility for price support, that the producer
7 shall not have knowingly overplanted such acreage allotment.

8 “(j) Appropriate adjustments may be made in the
9 support price for any commodity for differences in grade,
10 type, location, and other factors, except that the support
11 price for milk shall be adjusted so that milk used in the
12 manufacture of dairy products shall be supported at not less
13 than $88\frac{1}{2}$ per centum of the parity price for whole milk,
14 subject to the feed ratio adjustment authorized in subsection
15 (b) of this section, and in the case of cotton, the standard
16 grade for purposes of price support shall be middling seven-
17 eights-inch cotton.

18 “(k) No producer shall be personally liable for any
19 deficiency arising from the sale of collateral securing any
20 loan under this section unless such loan was obtained through
21 fraudulent representations by the producer. This provision
22 shall not, however, be construed to prevent the Secretary
23 from requiring producers to assume liability for deficiencies
24 in the grade, quality or quantity of commodities stored on
25 the farm or delivered by them, for failure properly to care

1 for and preserve commodities, or for failure or refusal to
2 deliver commodities in accordance with the requirements
3 of the program.

4 “(l) If the price of any agricultural commodity is sup-
5 ported by production payments (as authorized in section
6 302 (a) hereof), the Secretary may determine the rate or
7 rates of payment annually, or periodically, on the basis of
8 the amount by which the estimated average price to pro-
9 ducers of the commodity nationally, or in such areas as the
10 Secretary may determine, for the period to which the rate
11 relates is less than the level of price support therefor; and
12 such rate or rates may be adjusted by the Secretary, for
13 differences in grade, type, location, and other factors, if he
14 determines that such adjustments are practicable and essen-
15 tial to the effective operation of the price support program
16 for such commodity. Production payments shall, so far as
17 practicable, be limited to the quantities of the commodity
18 marketed by the producer. Production payments need not
19 be made with respect to any commodity or any producer
20 thereof if the Secretary determines that the total amount
21 of production payments which would be made to the pro-
22 ducers of the commodity is too small to justify the adminis-
23 trative cost of making such payments.

24 “(m) The Commodity Credit Corporation shall not sell
25 any farm commodity owned or controlled by it at less than

1 the current price support level for such commodity plus an
2 allowance for approximate carrying charges, except that
3 the foregoing restrictions shall not apply to (1) sales for
4 new or byproduct uses; (2) sales of peanuts for the ex-
5 traction of oil; (3) sales for seed or feed if such sales will
6 not substantially impair any price support program; (4)
7 sales of commodities which have substantially deteriorated
8 in quality or of commodities where there is a danger of loss
9 or waste through spoilage; (5) sales for the purpose of
10 establishing claims arising out of contract or against persons
11 who have committed fraud, misrepresentation, or other
12 wrongful act with respect to the commodities; (6) sales for
13 export; (7) sales of wool (including mohair); and (8)
14 sales for other than primary uses.

15 “(n) The Secretary, in carrying out programs with
16 respect to any agricultural commodity under section 32 of
17 the Public Law Numbered 320, Seventy-fourth Congress,
18 approved August 24, 1935, as amended, and section 6 of
19 the National School Lunch Act, may utilize the services and
20 facilities of the Commodity Credit Corporation (including
21 but not limited to procurement by contract) and make ad-
22 vance payments to it.

23 “(o) Notwithstanding any of the provisions of this Act,
24 section 2 of the Act of July 28, 1945 (59 Stat. 506), shall
25 continue in effect.”

1 SEC. 4. Section 8 (a), as amended, of the Soil Conser-
2 vation and Domestic Allotment Act is amended (a) by strik-
3 ing out "January 1, 1951" wherever appearing therein and
4 inserting in lieu thereof "January 1, 1953", and (b) by
5 striking out "December 31, 1950" and inserting in lieu
6 thereof "December 31, 1952".

7 SEC. 5. Section 32, as amended, of the Act entitled
8 "An Act to amend the Agricultural Adjustment Act and for
9 other purposes", approved August 24, 1935 (7 U. S. C.,
10 1946 edition, sec. 612c), is amended by adding at the
11 end thereof the following: "The sums appropriated under
12 this section shall, notwithstanding the provisions of any
13 other law, continue to remain available for the purposes
14 of this section until expended; but any excess of the amount
15 remaining unexpended at the end of any fiscal year over
16 \$300,000,000 shall, in the same manner as though it had
17 been appropriated for the service of such fiscal year, be sub-
18 ject to the provisions of section 3690 of the Revised Statutes
19 (31 U. S. C., 1946 edition, sec. 712), and section 5 of
20 the Act entitled 'An Act making appropriations for the leg-
21 islative, executive, and judicial expenses of the Government
22 for the year ending June thirtieth, eighteen hundred and
23 seventy-five, and for other purposes' (31 U. S. C., 1946
24 edition, sec. 713)."

25 SEC. 6. Section 4 of the Act of March 8, 1938, as

1 amended (15 U. S. C., 1946 edition, 713a-4), is amended
2 by substituting a colon for the period at the end of the next
3 to the last sentence thereof and adding the following: "*Pro-*
4 *vided*, That the foregoing shall not limit the authority of the
5 Corporation to issue obligations for the purpose of carrying
6 out its annual budget programs submitted to and approved
7 by the Congress pursuant to the Government Corporation
8 Control Act (31 U. S. C., 1946 edition, sec. 841)."

9 SEC. 7. All references in other laws to parity, parity
10 prices, prices comparable to parity, or prices determined in
11 the same manner as provided by the Agricultural Adjust-
12 ment Act of 1938, for the determination of parity prices,
13 shall, after January 1, 1950, be deemed to refer to the
14 parity prices for such commodities determined in ac-
15 cordance with the provisions of section 301 (a) (1)
16 of the Agricultural Adjustment Act of 1938, as amended by
17 this Act: *Provided*, That any marketing agreement or
18 marketing order, including any regulation issued thereunder,
19 in effect under the Agricultural Adjustment Act of 1933,
20 as amended, or the Agricultural Marketing Agreement Act
21 of 1937, as amended, on December 31, 1949, shall continue
22 in effect without the necessity for any amendatory action
23 relative thereto, and all terms and provisions of such agree-
24 ments, orders, and regulations are hereby expressly ratified,
25 validated, and confirmed.

1 SEC. 8. Titles II and III of the Agricultural Act of 1948
2 are repealed.

3 SEC. 9. This Act shall become effective on January 1,
4 1950, except that sections 6 and 8 shall take effect on the
5 date of the enactment of this Act. No provision of this Act
6 shall affect price support operations or announcements thereof
7 with respect to any agricultural commodity the marketing
8 year or season for which commenced prior to January 1,
9 1950.

81ST CONGRESS
1ST SESSION

H. R. 5345

[Report No. 998]

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

By Mr. PACE

JUNE 27, 1949

Referred to the Committee on Agriculture

JULY 7, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

602
HR

81st CONGRESS
1st Session

H. R. 5617

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1949

Mr. GORE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—1950 PRICE STABILIZATION

4 SECTION 1. Notwithstanding any other provision of
5 law, the Secretary of Agriculture is authorized and directed
6 through any instrumentality or agency within or under the
7 direction of the Department of Agriculture, by loans, pur-
8 chases, or other operations—

9 (a) To support prices received by producers of cotton,



1 wheat, corn, tobacco, rice, and peanuts marketed before
2 June 30, 1951, if producers have not disapproved marketing
3 quotas for such commodity for the marketing year beginning
4 in the calendar year in which the crop is harvested. The
5 price support authorized by this subsection shall be made
6 available as follows:

7 (1) To cooperators at the rate of 90 per centum
8 of the parity price for the commodity as of the begin-
9 ning of the marketing year;

10 (2) To noncooperators at the rate of 60 per centum
11 of the rate specified in (1) above and only on so much
12 of the commodity as would be subject to penalty if
13 marketed.

14 All provisions of law applicable with respect to loans under
15 the Agricultural Adjustment Act of 1938, as amended, shall,
16 insofar as they are consistent with the provisions of this
17 subsection, be applicable with respect to loans or other
18 price-support operations authorized under this subsection,
19 except that for the purpose of computing the parity price
20 for Maryland tobacco the base period shall be the period
21 August 1936 to July 1941 in lieu of the period August
22 1919 to July 1929.

23 (b) To support until January 1, 1951, a price to
24 producers of commodities with respect to which the Secre-
25 tary of Agriculture by public announcement pursuant to

1 the provisions of the Act of July 1, 1941, as amended,
2 requested an expansion of production of not less than 60
3 per centum of the parity or comparable price therefor nor
4 more than the level at which such commodity was supported
5 in 1948, except that milk and its products, hogs, chickens,
6 and eggs shall be supported at 90 per centum of the parity
7 or comparable price. The comparable price for any such
8 commodity shall be determined and used by the Secretary
9 for the purposes of this subsection if the production or con-
10 sumption of such commodity has so changed in extent or
11 character since the base period as to result in a price out
12 of line with parity prices for the commodities referred to
13 in (a) hereof. In carrying out the provisions of this sub-
14 section the Secretary of Agriculture shall have the authority
15 to require compliance with production goals and marketing
16 regulations as a condition to eligibility of producers for price
17 support.

18 (c) Sections 1 and 3 of the Act approved August 5,
19 1947 (Public Law 360, Eightieth Congress) are amended
20 by striking out in each section the date "June 30, 1950"
21 wherever it appears and inserting in lieu thereof the date
22 "June 30, 1951".

23 (d) It is hereby declared to be the policy of the Con-
24 gress that the lending and purchase operations of the Depart-
25 ment of Agriculture (other than those referred to in subsec-

1 tions (a), (b), and (c) hereof) shall be carried out until
2 January 1, 1950, so as to bring the price and income of the
3 producers of other agricultural commodities not covered by
4 subsections (a), (b), and (c) to a fair parity relationship
5 with the commodities included under subsections (a), (b),
6 and (c), to the extent that funds for such operations are
7 available after taking into account the operations with re-
8 spect to the commodities covered by subsections (a), (b),
9 and (c). In carrying out the provisions of this subsection
10 the Secretary of Agriculture shall have the authority to
11 require compliance with production goals and marketing
12 regulations as a condition to eligibility of producers for price
13 support.

14 SEC. 2. From any funds available to the Department
15 of Agriculture or any agency operating under its direction
16 for price-support operations or for the disposal of agricultural
17 commodities, the Secretary of Agriculture is authorized and
18 directed to use such sums as may be necessary to carry out
19 the provisions of section 1 of this Act.

20 SEC. 3. Section 22 of the Agricultural Adjustment Act,
21 as added by section 31 of the Act of August 24, 1935 (49
22 Stat. 773), reenacted by section 1 of the Agricultural Mar-
23 keting Agreement Act of 1937 (50 Stat. 246), as amended,
24 is hereby amended to read as follows:

25 "SEC. 22. (a) Whenever the President has reason to

1 believe that any article or articles are being or are practically
2 certain to be imported into the United States under such
3 conditions and in such quantities as to render or tend to
4 render ineffective, or materially interfere with, any program
5 or operation undertaken under this title or the Soil Con-
6 servation and Domestic Allotment Act, as amended, or
7 section 32, Public Law Numbered 320, Seventy-fourth Con-
8 gress, approved August 24, 1935, as amended, or any loan,
9 purchase, or other program or operation undertaken by the
10 Department of Agriculture, or any agency operating under its
11 direction, with respect to any agricultural commodity or pro-
12 duct thereof, or to reduce substantially the amount of any
13 product processed in the United States from any agricultural
14 commodity or product thereof with respect to which any such
15 program or operation is being undertaken, he shall cause an
16 immediate investigation to be made by the United States
17 Tariff Commission, which shall give precedence to investiga-
18 tions under this section to determine such facts. Such in-
19 vestigation shall be made after due notice and opportunity for
20 hearing to interested parties, and shall be conducted subject
21 to such regulations as the President shall specify.

22 “(b) If, on the basis of such investigation and report
23 to him of findings and recommendations made in connection
24 therewith, the President finds the existence of such facts,

1 he shall by proclamation impose such fees not in excess of
2 50 per centum ad valorem or such quantitative limitations on
3 any article or articles which may be entered, or withdrawn
4 from warehouse, for consumption as he finds and declares
5 shown by such investigation to be necessary in order that
6 the entry of such article or articles will not render or tend
7 to render ineffective, or materially interfere with, any pro-
8 gram or operation referred to in subsection (a), of this sec-
9 tion, or reduce substantially the amount of any product
10 processed in the United States from any such agricultural
11 commodity or product thereof with respect to which any
12 such program or operation is being undertaken: *Provided*,
13 That no proclamation under this section shall impose any
14 limitation on the total quantity of any article or articles which
15 may be entered, or withdrawn from warehouse, for consump-
16 tion which reduces such permissible total quantity to propor-
17 tionately less than 50 per centum of the total quantity of
18 such article or articles which was entered, or withdrawn
19 from warehouse, for consumption during a representative
20 period as determined by the President: *And provided further*,
21 That in designating any article or articles, the President may
22 describe them by physical qualities, value, use, or upon
23 such other bases as he shall determine.

24 “(c) The fees and limitations imposed by the President
25 by proclamation under this section and any revocation, sus-

1 pension, or modification thereof, shall become effective on
2 such date as shall be therein specified, and such fees shall
3 be treated for administrative purposes and for the purposes
4 of section 32 of Public Law Numbered 320, Seventy-fourth
5 Congress, approved August 24, 1935, as amended, as duties
6 imposed by the Tariff Act of 1930, but such fees shall not
7 be considered as duties for the purpose of granting any pref-
8 erential concession under any international obligation of the
9 United States.

10 “(d) After investigation, report, finding, and declara-
11 tion in the manner provided in the case of a proclamation
12 issued pursuant to subsection (b) of this section, any proc-
13 lamation or provision of such proclamation may be suspended
14 or terminated by the President whenever he finds and pro-
15 claims that the circumstances requiring the proclamation or
16 provision thereof no longer exist or may be modified by the
17 President whenever he finds and proclaims that changed
18 circumstances require such modification to carry out the
19 purposes of this section.

20 “(e) Any decision of the President as to facts under
21 this section shall be final.

22 “(f) No proclamation under this section shall be en-
23 forced in contravention of any treaty or other international
24 agreement to which the United States is or hereafter becomes
25 a party.”

1 SEC. 4. Section 8 (a), as amended, of the Soil Con-
2 servation and Domestic Allotment Act is amended (a) by
3 striking out "January 1, 1949" wherever appearing therein
4 and inserting in lieu thereof "January 1, 1951", and (b)
5 by striking out "December 31, 1948" and inserting in lieu
6 thereof "December 31, 1950".

7 SEC. 5. Notwithstanding any of the provisions of this
8 Act, the Act of July 28, 1945 (59 Stat. 506) shall continue
9 in effect.

10 SEC. 6. This title shall take effect on January 1, 1950,
11 except that sections 3 and 4 shall take effect on the date of
12 enactment of this Act.

13 SEC. 7. Section 303 of the Agricultural Act of 1948
14 is amended by striking out the figures "1950" and inserting
15 the figures "1951".

81ST CONGRESS
1ST SESSION

H. R. 5617

A BILL

To authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes.

By Mr. GORE

JULY 13, 1949

Referred to the Committee on Agriculture

PROVIDING FOR THE CONSIDERATION OF AND WAIVING ALL POINTS OF ORDER AGAINST H. R. 5345, TO AMEND THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED, AND FOR OTHER PURPOSES, AND PROVIDING FURTHER FOR THE INSERTION OF THE TEXT OF THE BILL, H. R. 5617, AND WAIVING ALL POINTS OF ORDER THEREON

JULY 14, 1949.—Referred to the House Calendar and ordered to be printed

Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 283]

The Committee on Rules, having had under consideration House Resolution 283, report the same to the House with the recommendation that the resolution do pass.



ORDER THEREON
 THE TEXT OF THE BILL, H. R. 3517, AND WAIVING ALL POINTS OF
 PURPOSES AND PROVIDING FURTHER FOR THE INSERTION OF
 TURAL ADJUSTMENT ACT OF 1938, AS AMENDED, AND FOR OTHER
 POINTS OF ORDER AGAINST H. R. 3517, TO AMEND THE AGRICULTURE
 PROVIDING FOR THE CONSIDERATION OF AND WAIVING ALL

July 14, 1940.—Referred to the House Calendar and ordered to be printed

Mr. Sarant, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 383]

The Committee on Rules, having had under consideration House
 Resolution 383, report the same to the House with the recommenda-
 tion that the resolution do pass.



House Calendar No. 106

81ST CONGRESS
1ST SESSION

H. RES. 283

[Report No. 1057]

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1949

Mr. SABATH, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for consideration of the bill (H. R. 5345) to amend
5 the Agricultural Adjustment Act of 1938, as amended, and
6 for other purposes, and all points of order against the said
7 bill are hereby waived. That after general debate, which
8 shall be confined to the bill and continue not to exceed six
9 hours, to be equally divided and controlled by the chairman
10 and ranking minority member of the Committee on Agri-
11 culture, the bill shall be read, and after the reading of the
12 first section of such bill, it shall be in order to move to strike

1 out all after the enacting clause and insert the text of the
2 bill H. R. 5617, and all points of order against such amend-
3 ment are hereby waived. At the conclusion of the considera-
4 tion of the bill H. R. 5345, the Committee shall rise and
5 report the bill to the House with such amendments as may
6 have been adopted, and the previous question shall be con-
7 sidered as ordered on the bill and amendments thereto to
8 final passage, without intervening motion, except one motion
9 to recommit, with or without instructions.

81ST CONGRESS
1ST Session

H. RES. 283

[Report No. 1057]

RESOLUTION

Providing for the consideration and waiving all points of order against H. R. 5345, a bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and providing further for the insertion of the text of the bill H. R. 5617, and waiving all points of order thereon.

By Mr. SABATH

JULY 14 (legislative day, JUNE 2), 1949

Referred to the House Calendar and ordered to be printed

condition, the Truman administration preaches the policy of spend and spend. To the Democrat-New Dealers there is nothing more sacred than their huge spending budgets. Under no circumstances, last year or this, inflation or deflation, then or now—under no circumstances should anyone seek to economize. I do not accept such inconsistent, insane doctrine, nor do the great majority of the American people.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

SPENDING

Mr. MILLER of Nebraska. Listen, my colleagues. If you want to have prosperity you must spend more than you make. Yes; you must do that. If you do not, you might not get on the Government security rolls when you get old. In other words, never slash your expenditures when your income falls. That is the new philosophy the President gave to the country by radio last night. It must have been a shock to some of the folks who have always felt that they ought to save a little for a rainy day, but you dare not do that if you are going to have prosperity in this country. Thrifty families and individuals, when they find their incomes falling, always cut their expenditures. They get along without things they might like to have but cannot afford. Government ought to do the same. The President has the philosophy that you must spend more, not less. If followed it means bankruptcy for this country.

EXTENSION OF REMARKS

Mr. MASON and Mr. VURSELL asked and were given permission to extend their remarks in the RECORD.

Mr. CURTIS asked and was given permission to extend his remarks in the RECORD to today at the conclusion of the legislative program and following any special orders heretofore entered.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include two articles by Robert Hillier.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD in two instances and include two editorials.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in four instances and in each case to include extraneous matter.

CONFERENCE REPORT ON STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1950

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a table showing the amount of money received and spent since 1914 by the Federal Government.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. RICH addressed the House. His remarks appear in the Appendix of today's RECORD.]

PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TAX RETURNS

Mr. REED of New York. Mr. Speaker, under our present tax laws the Federal income tax returns of all fiduciaries, partnerships and corporations, as well as many other types of returns, including estate and gift tax returns, must be filed under oath and, therefore, must be notarized by a notary public. The Treasury Department has recommended that this oath requirement of these returns be eliminated and instead that these returns be made under the penalties of perjury, as is now the law in the case of all individual and employment tax returns. I have introduced a bill to accomplish this purpose, H. R. 5633.

This bill does not, of course, involve any question of tax liability. Its purpose is to expedite the processing by the Internal Revenue Bureau of tax returns, many of which now have to be returned by the Bureau to the taxpayers for compliance with the oath requirement at a considerable expense to the Bureau. The elimination of this notarization requirement and the use of the verification form is therefore directly in line with the Congress' policy of eliminating all unnecessary administrative expenses in the executive departments.

Moreover, not only does this legislation have the approval of the Treasury Department, but it has been actively urged by all persons and organizations

who prepare tax returns and who are under the burden and expense of having these returns notarized.

The effect of my bill, which gives the Commissioner of Internal Revenue authority to dispense with the oath requirement and substitute the verification form as he deems advisable, is similar to a provision which unanimously passed the House in the Eightieth Congress but which the Senate did not have time to act upon before adjournment.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he made yesterday on the so-called Poage bill and include therein a table and a letter from the Administrator.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in two instances: in one to include an editorial, and in the other to include a newspaper article.

Mr. JONAS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a table from the Bureau of Agricultural Economics.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include three articles.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. PACE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FARM LEGISLATION

Mr. PACE. Mr. Speaker, I feel some obligation to keep the House advised of the situation with regard to farm legislation. The Committee on Rules has granted a rule making in order a bill introduced by the gentleman from Tennessee [Mr. GORE]. The bill is H. R. 5716. Of course, I hope the bill will not be approved by the House. But my purpose now is to caution you before you obligate yourselves too much to support that bill, please insist that it be substantially amended. As the Gore bill stands today it would continue the 90-percent support provided in title I of the Aiken bill and at the same time it would put into effect title II of the Aiken bill.

Therefore, on January 1, 1950, you would have two entirely different support programs, one provided in title I of the Aiken bill and the other provided in title II, and with it the complete authorization of the entire production payment plan as requested by the Secretary of Agriculture. It would be an unfortunate situation if it should be enacted in that form.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

FARM LEGISLATION

Mr. BROWN of Ohio. Mr. Speaker, I have just heard the gentleman from Georgia [Mr. PACE] give his views on a rule reported by the Committee on Rules. I have not seen the printed copy of the rule this morning, but it was the intent and purpose of the Committee on Rules to report a rule which would make in order the so-called Gore bill. The Gore bill as it was presented to our committee would continue title I, but would postpone the effective date of other portions of the so-called Aiken bill until January 1, 1951.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. I have just checked with the bill clerk and the typographical error referred to by the gentleman from Georgia is being corrected. I have the original working copy before me. He has put in a stop order on the printing of the copies. There is a typographical error. According to my original working copy, the error is a printer's error. It should be "303" instead of "203."

Mr. BROWN of Ohio. Then the statement of the gentleman from Georgia is based on a misunderstanding because of the printing error. The fact is that the effective date of the Aiken bill is postponed for 1 year by your bill?

Mr. GORE. Yes.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PACE. I am not familiar with the matter of a typographical error, but the bill, as introduced, and for which a rule was granted by the Rules Committee, will put into effect the Aiken bill and title I.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

EXTENSION OF REMARKS

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a statement.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include some newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE PRESIDENT'S ADDRESS

Mr. SABATH. Mr. Speaker, a few minutes ago the gentleman from Pennsylvania [Mr. RICH] said that he did not know what to say. Then, later on, he said that after he heard the President's speech he could not sleep the entire night. As a matter of fact, he stated that he awakened at 5 a. m. and could not sleep. Perhaps the gentleman was upset because he heard the President recommend so many constructive things relative to bringing about the general improvement of business and other conditions.

Mr. RICH. I will answer the gentleman. I was afraid that I would use words that would not be allowed in the Chamber.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. GORE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE AGRICULTURAL BILL

Mr. GORE. Mr. Speaker, the typographical error to which my friend from Georgia has directed attention has, fortunately, already been called to my attention. I have here a marked copy of the law from which a copy was made, but in the print that came out just a few moments ago there is an error. In section 7 the print reads "203", when it should have been "303." I have contacted the bill clerk, and he has issued a stop order on the print. A star copy will be available soon with the typographical error corrected.

Let me repeat that by my bill the present agricultural program, which is the result of 16 years of experience, will be continued for the year 1950, and the effective date of the Aiken bill will be postponed until January 1, 1951.

The SPEAKER. The time of the gentleman from Tennessee has expired.

AMENDING THE AGRICULTURAL ADJUSTMENT ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 283) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and

ranking minority member of the Committee on Agriculture, the bill shall be read, and, after the reading of the first section of such bill, it shall be in order to move to strike out all after the enacting clause and insert the text of the bill H. R. 5617, and all points of order against such amendment are hereby waived. At the conclusion of the consideration of the bill H. R. 5345, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion, except one motion to recommend, with or without instructions.

OVERTIME PROVISIONS OF THE FAIR LABOR STANDARDS ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 264 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H. R. 858) to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, as applied in the longshore, stevedoring, building, and construction industries, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. SABATH. Mr. Speaker, as chairman of the Committee on Rules, I have called up House Resolution 264, not because I favor the passage of the resolution, but, due to certain conditions, I was obliged to report the rule.

In view of these circumstances, I feel that the gentlemen who are much more familiar with the subject matter than I am, will explain the reasons why this resolution should not be passed.

I wish to state, however, that this resolution aims to take the bill, H. R. 858, from the Speaker's table and agree to the so-called Senate amendments, which are retroactive and which I believe will again be declared unconstitutional. The other body has again gone out of its way to amend the House bill as originally passed. I feel that the House bill should have been accepted by the Senate in its original form. As I said before, I personally believe that the Senate amendment to the bill will be held unconstitutional because of its retroactive and ex post facto features. Furthermore, the Senate amendments aim to nullify the action already taken in this matter by the United States Supreme Court. I believe that the proper procedure would have been to grant a rule taking the bill from the Speaker's table and sending the bill to conference.

It will be explained by the gentleman to follow that the title of the bill, "Overtime on Overtime" is, indeed, erroneous, for this is not a bill to legalize overtime on overtime.

Mr. Speaker, I have received voluminous correspondence on this bill in the form of letters, telegrams, and post cards—to such an extent that I cannot mention all of them at the present time. They were all in opposition to the granting of this rule and to the retroactive features of this bill. I would, however, like to insert a telegram and a letter that

tee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4708) to amend the United Nations Participation Act of 1945, pursuant to House Resolution 280, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? I find, the Chair will put them on gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include a speech by the gentleman from Texas [Mr. LUCAS].

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks in the RECORD.

GENERAL LEAVE TO EXTEND

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in the RECORD on the bill just passed, and also to extend at the point when the bill was under consideration.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CERTAIN CLAIMS AGAINST THE UNITED STATES

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

On page 3, line 1, of the Senate engrossed bill, strike out "\$23,384.03" and insert in lieu thereof "\$20,359.65."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is merely reaffirming the position of the House?

Mr. SMATHERS. That is exactly correct.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous request to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AGRICULTURAL BILL

Mr. SABATH. Mr. Speaker, the Committee on Rules, after five or six prolonged hearings on the Pace bill, concluded its hearings and granted a rule for the consideration of the bill which will be brought up in the House Tuesday, July 19. After listening to the evidence of the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], the testimony of the chairman of the subcommittee, the gentleman from Georgia [Mr. PACE], and other members of the committee, I conferred with the Secretary of Agriculture, Mr. Brannan, and with the gentleman from Nebraska, Representative O'SULLIVAN, and obtained their views with respect to the proposed legislation. I then gave nights and days of thought and study to the proposed farm program and painstakingly digested a statement of Secretary Brannan and I now ask unanimous consent to extend my conclusions in the RECORD for the benefit of those Members who have not been able to give their time and study to this all-important proposed legislation and to express the hope that they will read my conclusions in support of the Pace bill before they will vote.

Therefore, Mr. Speaker, I ask unanimous consent that I may have the privilege of inserting as part of my remarks a statement which I have prepared on the bill.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, I will certainly be interested in reading the statement of the gentleman who is a great expert on agriculture.

Mr. SABATH. I had these conferences with many people who are experts because I am not an expert on this subject—although I think I know as much about agriculture as does the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I have weighed carefully the new farm price-support proposals contained in this bill, H. R. 5345. Like many others, I had several questions about them when they were first recommended by Secretary Brannan early in April. They sounded a little too good to be true—largely, I think, because they promised to benefit everyone, farmers and nonfarmers alike. And almost immediately the charge was made by those who opposed them that the proposals were simply a political maneuver designed to please everybody, and that they could not possibly be carried out without costing the poor taxpayer plenty.

Looking back on this first reaction, after studying the proposals both as the

Secretary made them in his statement of April 7 and as they are incorporated in this bill, I cannot find any basis for the opposition's charges.

Our way of life and our system of free capitalistic enterprise are both based on the fundamental assumption that what is good for one group is good for all groups or it just is not good. In the past, legislative proposals that sought to favor one group at the expense of another have been promptly labeled class legislation, and when the legislators had their wits about them they promptly turned them down. And yet now, when a set of straightforward proposals is made by the Secretary of Agriculture to minimize whatever aspects of class legislation any measures to support the prices of farm products might have, the proposal is either denounced as vicious class legislation or condemned because it seeks to give the consumer and the economy as a whole a break along with the farmer.

What sort of reasoning is it that twists things in this way? Certainly it does not hold up under scrutiny—something which the Brannan proposals do.

Let us look at them—their objectives, what they might be expected to accomplish in the form they are given in this bill, H. R. 5345, their advantages to both the farmer and the consumer, and their probable cost.

H. R. 5345 does not include all the recommendations made by the administration, and it modifies others, but the objective remains the same. The Secretary of Agriculture has stated it simply and clearly—to assist farmers to maintain a reasonably stable income at a fair level—a level which is equitable to farmers and in the best interest of the other economic groups within our population.

There is nothing new in that objective. It has been the underlying goal of all major farm legislation. What is new about it is the emphasis on income rather than price in the means suggested for reaching the objective. If, in the interest of the whole economy, we really mean to assist farmers to maintain a reasonably stable income—as we have repeatedly professed that we do—why not really do something about it?

When slumping farm prices give a warning signal that there may be a depression ahead, what the farmer needs is not a staggered price support that sags with the oncoming weight of the depression, but some firm income-assurance that will help him lift the depression off his and everybody else's shoulders, while the consumer meanwhile gets needed food at prices he can afford to pay. This is the basic idea behind the income-support standards, the revised parity prices, and the production payment method.

How much of this objective will the enactment of H. R. 5345 actually achieve? According to the committee report, the bill does three things: First, It provides a new and modernized method for the calculation of parity, to be known as the income-support standard; second, it continues to provide price support for agricultural commodities at about the present levels; and third, it authorizes the Secretary of Agriculture

to make a test or trial of the production payment method of supporting prices on three commodities.

These three things seem to me to provide what is needed to get started on this new approach to farm-income stability. The limits on the use of the production payment method should provide adequate safeguards for the taxpayer until the actual effects and results of the method can be determined by actual use.

To me one of the great virtues of the bill is that its advantages to farmers and to consumers need not be discussed separately. It frankly emphasizes the fact that a sound agriculture is basic to our system of free enterprise and to our economic well-being. It seeks to fight depression—the only recurrent weakness of our system—by fighting it at its historical source. It would do this by maintaining the purchasing power of farmers at a fair level, so that our farmers can remain good customers for the products of our towns and cities, and by maintaining an ample flow of farm products to urban users and consumers at prices they can afford to pay. This is good business for every Main Street in the country.

How much will it cost? With the limitations placed on the use of production payments, it is obvious that there is absolutely no basis for the extreme figures cited by those who would like to scuttle the whole idea. Like any other method of farm-income support, this method will cost whatever we choose to put into it, and that amount will be determined largely by how great the need is and how effectively we wish to meet the need. Naturally it will cost more than simply giving political lip-service to an idea and nothing else.

Those who insist on getting farm-price support at little or no cost are really enemies of price support. They go along with the idea when times are good and the farmer needs a minimum of help, but when the going gets tough and the farmer really needs help in his vital role of shoring up the economy they shy away from any really effective method of assistance.

Actually, for the same results, it should cost less to finance this legislation than to finance the legislation it will supplant. I say this because it makes unnecessary the type of expenditure that was required to carry out price-support legislation on potatoes last year—a type of expenditure that double taxes the consumer by requiring him to pay not only for the actual price support but also for removing the surplus production, part of which at least the consumer might have bought at the lower prices made possible by the production-payment method.

For these reasons I feel strongly that it is in the national interest to adopt this legislation. I am supporting it because I am convinced that it will not only benefit farmers but will also benefit consumers. And in addition, it will give us valuable experience in price-support operations upon which we can plan for the future.

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the Record and include an editorial.

CORRECTION OF RECORD

Mr. COX. Mr. Speaker, on Tuesday, April 5, 1949, the House granted my request to strike the name of Mr. Howard Watson Ambruster from one sentence contained in remarks which I made in the House on February 28 of this year, appearing on pages A1154 and A1155 of the CONGRESSIONAL RECORD.

I now ask unanimous consent that all other references to Mr. Ambruster be also stricken from my remarks of February 28, including the tabulated data appearing beneath his name, and that the permanent Record be changed accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SUPPORT PRICE FOR MANUFACTURED DAIRY PRODUCTS

Mr. MURRAY of Wisconsin. Mr. Speaker, on several occasions I have called attention to the fact that the support price for manufactured dairy products has not been carried out according to the present law. The law states, "90 percent support shall be 90 percent of parity for milk and its products." Butter is being supported in accordance with the law, but cheese and evaporated milk are not.

Let us look at the cheese situation. For an example, during the base period of 1909-1914 the cheese price on the Plymouth (Wis.) Board was 14.5 cents per pound, according to the Bureau of Agricultural Economics of the United States Department of Agriculture. Fourteen and five-tenths cents by two and forty-six hundredths, the parity factor, equals 35.6 cents, which is the parity price per pound as of Plymouth. The support price of 90 percent of parity is 32.1 cents per pound. The cheese price at Plymouth should then at least be 32.1 cents per pound according to the law. Last Friday, July 15, 1949, the Plymouth (Wis.) Board report showed sales at 27 cents per pound. Parity prices apply to the farmer, and the Plymouth (Wis.) Board price is reflected back to the farmer.

Here is another example, milk used in the manufacture of evaporated milk. The base period 1909-1914 price to the farmer was \$1.50 per hundredweight. One dollar and fifty cents by two and forty-six hundredths, the parity factor, equals \$3.69 per hundredweight. And 90 percent of \$3.69 is \$3.32, the legal lawful support price under the present law.

The questions are:

First. Why is the present law not being followed?

Second. Why should dairymen be compelled to sell their milk at a price 30 to

60 cents per hundredweight below the support price provided by the present law?

Third. Why should a State like Wisconsin producing 14,000,000,000 pounds of milk be underpaid by fifty to seventy million dollars? This underpayment exceeds all of the subsidy payments made to Wisconsin.

Fourth. Why, may I ask in all sincerity, should we be misled by other promises such as are contained in the Pace bill, when the first objective should be to fulfill the commitments of the present law?

If the Bureau of Agricultural Economics or anyone else wishes to take issue on these calculations and conclusions, I shall be pleased to have them do so.

The Pace bill may promise more support for milk, but when figured out with its gadgets the support price is practically the same as the present law.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

TWO EVENTS OF NOTE

Mrs. ROGERS of Massachusetts. Mr. Speaker, the executives of the Waltham Watch Co. have set a very fine example to labor all over the United States in that they have voluntarily agreed to sign anti-Communist affidavits. It is a very fine example that should be followed everywhere in our country.

Mr. Speaker, on Saturday some members of the Committee on Veterans' Affairs, together with member of the committee staff, flew down to Richmond, Va., to see one of the first houses built partly with Federal money under the Paraplegic Housing Act. It was a very touching experience to see this paraplegic in his home with his wife, the first such home built as a result of the bill passed by Congress last year. The house is so arranged that he could wheel himself from room to room without interference from sills. Extra wide doors permitted the passage of the wheelchair. It gave us all pleasure to see what an inspiration this house was to him.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

THE RUSSIAN AIR FLEET

Mr. BROOKS. Mr. Speaker, those who are genuinely interested in the safety of this Nation from Soviet aggression have cause for concern over the display of air power yesterday before the Kremlin in Moscow, in the celebration called the Day of the Air Fleet.

The planes which streaked across the Russian sky yesterday appear to be pro-

A-9520166, Jorgensen, Petrus Kornelius.
 A-2589465, Robberstad, Trygve, or Teddy Robberstad.
 A-9767518, Roosekrans, Petrus Johannes.
 A-599270, Santellan-Lopez, Baldomero (alias Gustavo Tempzen-Lopez alias Gustavo Lopez Tempzen).
 A-4929003, Shamarides, Adonis Arghyrou, or Adonis Shamarides or George Chamer.
 A-6668113, Sominen, Seppo Paavo.
 A-4837403, Thordahl, Preben Eric, or Preben Gustav Eric Thordahl.
 A-4814618, Tonani, Fred.
 A-3059166, Uras, Paquale, or Patsey Uras.
 A-6591993, Baker, France Stella, or France Stella Juhel-Renoy.
 A-2320986, Clocchi, Luigi.
 A-6404791, Cuni, Battistina Elena (nee Vaerini).
 A-5333650, Davis, Stanley Arundel, or Stanley Davis.
 A-6391237, De Fonte, Sallustio.
 A-9520698, Dollah, William Henry.
 A-6424465, Kenedl, Tamas Klein or Thomas.
 A-6327021, Malouf, George Selmman, or Georges Maalouf.
 A-4333150, Percival, Norward Edward.
 A-9778306, Spithogiannis, Stefanos or Spelagianis.
 A-5877274, Antzoulatos, Gerasimos, or Gerry or Jerry Angel.
 A-9634730, Ballarin, Massimo.
 A-6246740, Barraza, Cecilio, or Cecilio Alvarado Barraza.
 A-5716466, Bekavac, Anton Ivan.
 A-2739693, Boldin, Anthony or Baldin (alias Antonio Vittorio Isidoro Baldini, alias Antonio Nino Baldini, alias Nino or Nine Baldini).
 A-1514544, Casas, Jose, or Jose Casas Rosales or Jose Covos or Cobos.
 A-6234266, Edwards, Muriel, or Muriel Danled or Daneil.
 A-4456999, Ferghina, Teobald Isala, or Ubaldo Isala Ferghina.
 A-6193663, Flores, Buenaventura Garcia, or Buenaventura Flores (alias Joe Garcia).
 A-3161313, Francz, Jacob, or Jacob Frantz.
 A-6241948, Gagner, Marie (nee Minard or Mimi).
 A-4947594, Gilcourt, Charles Henry, or Chas. Gilcourt or Charles Gilcourt or Gilcourt.
 A-7511447, Hall, Bertram Carlton.
 A-5932958, Harrigan, Ethel Margery (nee Peterson).
 A-5133402, Henden, John Hovde.
 A-2724762, Kelly, Joseph Francis.
 A-5965000, Krost, Ernst Wilhelm.
 A-4521987, Kruse, William Herbert.
 A-2813449, Leon-Sanchez, Jose Gregorio, or Jose G. Leon.
 A-6373564, Lopez, Mauro (alias Mauro Lopez Rodriguez).
 A-6624960, Morales, Esteban.
 A-3478894, Pavich, Joseph, or Jose Pavic or Yoso Pavic.
 A-2883717, Perales, Carmen Dolores Guevara, or Carmen Guevara or Carmen D. Guevara or Camoli.
 A-5911572, Raymond, Inez Eugenia (nee McKelly or Inez Eugenia Raymond).
 A-6578928, Reasola, Antonio.
 A-6578929, Reasola, Maria Remedios Olvera.
 A-2288481, Sacco, Pietro Vincenzo.
 A-5331600, Sala, Carmelo.
 A-4704221, Scarcella, Leonardo Agostino.
 A-5985487, Silano, Carmine Sabino.
 A-6512486, Smith, Richard (alias Richard Valba).
 A-6677956, Storie, William Aitken Stewart.
 A-1626396, Tchekowitch, Alexander Borisovich, or Alexis Boris Alexander.
 A-2578314, Von Hoefer, Frederic Joseph, or Fred Von Hoefer.

The Senate concurrent resolution was agreed to.

TRUSTEES OF PORTER ACADEMY

The Clerk called the bill (S. 1742) removing certain restrictions imposed by

the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to release to the trustees of Porter Academy by an appropriate written instrument the restriction placed upon that land in Charleston, S. C., which was conveyed to the trustees of Porter Academy pursuant to the provisions of the act of March 8, 1888, entitled "An act authorizing the Secretary of War to transfer to the trustees of Porter Academy certain property in the city of Charleston, S. C.," sections 1 and 2 of which required that the property should be inviolably dedicated to educational purposes and no other and required that the deed of conveyance contain a condition to that effect.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINNEBAGO RESERVATION, NEBR.

The Clerk called the bill (S. 1330) to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to sell the trust allotment numbered 322 of Paul Bighead, deceased Winnebago allottee, described as the northwest quarter of the southwest quarter, section 25, township 26 north, range 6 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by the issuance of a patent in fee to the purchaser and to distribute the proceeds of such sale among the heirs of the said Paul Bighead in accordance with their respective interests: *Provided,* That the Secretary shall deduct from the amount payable under this act to any such heir a sum equal to the principal and accrued interest on any unpaid loan charged against such heir.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM HENRY TICKNER

The Clerk called the bill (S. 897) for the relief of William Henry Tickner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws of the United States, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which exclude from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to William Henry Tickner, of Yokohama, Japan, minor son of the fiancée of Arthur L. Prior, private, first class, United States Army, and the said William Henry Tickner shall, for the purposes of the Immigration and naturalization laws, be deemed to be the child of said Arthur L. Prior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POON LIM

The Clerk called the bill (S. 1405) to provide for the admission to, and the permanent residence in, the United States of Poon Lim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Poon Lim shall be held and considered to have been lawfully admitted into the United States for permanent residence on November 29, 1943, the date upon which he was temporarily admitted into the United States, upon the payment by him of the visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year in which such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ETHEL BARRINGTON MACDONALD

The Clerk called the bill (H. R. 1033) for the relief of Mrs. Ethel Barrington MacDonald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Ethel Barrington MacDonald, who was naturalized as a citizen of the United States through the naturalization as an American citizen of her father at Grand Forks, N. Dak., on November 4, 1890, and who lost citizenship of the United States by residing at Bogota, Colombia, since 1929, may be naturalized by taking, prior to 1 year from the enactment of this act, before any naturalization court specified in subsection (a) of section 301 of the Nationality Act of 1940, as amended, or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the said act.

Sec. 2. From and after naturalization under this act, Mrs. Ethel Barrington MacDonald shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. LEON L. KONCHEGUL

The Clerk called the bill (H. R. 2928) for the relief of Dr. Leon L. Konchegul.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws Dr. Leon L. Konchegul, of Washington, D. C., who was admitted into the United States on a student's visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of \$10 and the head tax of \$8.

Sec. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Turkey.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED BAUMGARTS

The Clerk called the bill (H. R. 3413) for the relief of Alfred Baumgarts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record

the lawful admission for permanent residence of Alfred Baumgarts as of February 24, 1949, at the port of New York, N. Y., the date on which he entered the United States.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Latvia of the first year that such quota number is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE BALAZ

The Clerk called the bill (H. R. 3837) for the relief of Annie Balaz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State and the Attorney General be, and they are hereby, authorized to provide for the admission into the United States for permanent residence of Annie Balaz, a native and citizen of Czechoslovakia.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the quota for Czechoslovakia of the first year that such number is available.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That for the purposes of the immigration and naturalization laws Annie Balaz shall be considered to be the natural-born daughter of Mr. and Mrs. Adrej Balaz, United States citizens."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCA LUCARENI, A MINOR

The Clerk called the bill (H. R. 5155) for the relief of Francesca Lucareni, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, William F. Kretzinger, now chief warrant officer, United States Army, W-2103110, and his wife, Mildred Cole Kretzinger, are hereby declared to be the natural parents of the infant Francesca Lucareni, the custody of such infant having been granted to them by the Provincial Institution for the Protection and Assistance of Infancy, of the city of Leghorn, Italy, under order No. 131, dated January 17, 1948, signed by its director, Dr. Ulisse Foresi.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GIUSTINA SCHIANO LOMORIELLO

The Clerk called the bill (H. R. 5160) for the relief of Mrs. Giustina Schiano Lomoriello.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Giustina Schiano Lomoriello, a citizen of the United States, who lost citizenship by voting in an Italian election, may be naturalized by taking prior to 1 year from the enactment of this act, before any diplomatic or consular officer of the United States abroad, the oaths

prescribed by section 335 of the Nationality Act of 1940, as amended.

SEC. 2. From and after naturalization under this act Mrs. Lomoriello shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM J. EHRLICH

The Clerk called the bill (H. R. 4789) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS

Mr. LATHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

AGRICULTURAL ACT OF 1949

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I call up House Resolution 283 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read, and after the reading of the first section of such bill, it shall be in order to move to strike out all after the enacting clause and insert the text of the bill H. R. 5617, and all points of order against such amendment are hereby waived. At the conclusion of the consideration of the bill H. R. 5345, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion, except one motion to recommend, with or without instructions.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

Andrews
Barden
Barrett, Pa.
Bennett, Mich.
Bentsen
Bland
Bonner

Buckley, N. Y.
Bulwinkle
Cannon
Celler
Chatham
Chudoff
Clevenger

Coudert
Davenport
Davies, N. Y.
Davis, Ga.
Dingell
Dollinger
Dolliver

Eaton	Lichtenwalter	Sasscer
Fernandez	McCarthy	Secret
Fisher	McGregor	Shafer
Fulton	McMillen, Ill.	Short
Gilmer	Mack, Ill.	Smathers
Granahan	Madden	Staggers
Green	Morrison, La.	Stanley
Hall,	Moulder	Taber
Edwin Arthur	Murdock	Thomas, N. J.
Hall,	Murphy	Thornberry
Leonard W.	Noland	Towe
Halleck	Pfeifer,	Velde
Hays, Ark.	Joseph L.	Vorys
Heffernan	Powell	Vursell
Irving	Richards	Wolcott
Judd	Rivers	Wood
Kee	Sadowski	

The SPEAKER. On this roll call 361 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL ACT OF 1949

The SPEAKER. The gentleman from Illinois [Mr. SABATH] has been recognized.

Mr. SABATH. Mr. Speaker, this rule makes in order the agricultural bill. It provides for 6 hours' general debate. It is an open rule and provides that the so-called Gore amendment may be substituted for the committee bill, known as the Pace bill, embodying some of the recommendations of the Secretary of Agriculture, which has been reported to the House by the Committee on Agriculture after weeks and weeks of careful consideration, and after hearing many witnesses. It was passed by a vote of nearly 2 to 1. I feel, therefore, that the Pace bill is the bill that is entitled to consideration.

As to myself, Mr. Speaker, I am the last man who should call up this rule on an agricultural bill because, unfortunately, ever since 1933 the consumer has been forgotten and legislation has been passed in the interest of the farmers. The Pace bill is in the interest of the farmers, and to the consumer is the least objectionable, certainly less objectionable than the Gore bill, because the Pace bill for the first time provides a method whereby the consumer will receive some consideration. As one who has at all times supported farm legislation I shall, of course, support this; but I plead and urge with the membership that the Pace bill is entitled to, and deserves, favorable consideration, because it is the fairer of the two bills. The Gore bill, as I see it, is merely a Republican move to thwart the efforts of the Democrats to continue legislation in the interest of the farmers and to some extent, also, the consumers of the country.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Tennessee.

Mr. SUTTON. Mr. Speaker, I wish to take just a few minutes of the time of the Chairman of the Rules Committee, and of the time of the House, to put the issue fairly in front of this House, being a member of the Committee on Agriculture. Much has been said in the last few days to the effect that we wanted the Gore bill, that we wanted the present program and suspend the Aiken bill for another year.

Mr. Speaker, last June, one Sunday morning about 6:30 in the morning, the

Aiken bill was crammed down the throats of the Members of the House of Representatives. I am in favor of repealing this monstrosity known as the Aiken bill. I have not heard one Republican, much less any Democrat, who voted against it last year; certainly, not one Republican say he was in favor of the Aiken bill. If there is one I should like for him to stand up.

Mr. MASON. Here is one.

Mr. SUTTON. I am glad to see there are two Members here who are for the Aiken bill.

Now to put the issue squarely in front of this House, personally I am for the Pace bill because it helps the farmers of America.

Mr. Speaker, at the appropriate time I shall offer a substitute which will continue the present program and repeal the Aiken Act and put the proposition squarely up to the House. Then you will have one of two issues to determine. You will have the present program plus repeal of the Aiken bill, or you will have the Pace bill. Personally I favor the Pace bill.

Mr. SABATH. Mr. Speaker, I yielded to the gentleman and he has actually made my speech because I did wish to call attention to the Aiken bill. Everyone who appeared before our committee, Republican and Democrat alike, condemned the Aiken Act and stated it was passed during the last few minutes of the Eightieth Congress, when it was about to adjourn, and that no one knew anything about what was contained in that act. Consequently, I am pleased to note the remarks of the gentleman from Tennessee, coming from the same State that the gentleman from Tennessee [Mr. GORE] comes from, who is going to introduce a substitute for the Pace bill.

I am not going to delay the House. The Members are all familiar with the question. May I say in conclusion, Mr. Speaker, that the Democratic Party has consistently legislated in the interest of agriculture and in the interest of the farmer. For 43 years I have voted for legislation to help the farmer and have done so on the theory that I have so often expressed—that if the farmer has money he will buy and create demand for manufactured goods which he needs, whether they be farm implements, clothing, shoes, or other requirements. He creates a demand for manufactured products that make for work which keeps labor employed. You all know what the conditions of the country were in 1931, 1932, and 1933 when the Democratic Party came into power.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I ask the gentleman this question: If I understand the situation correctly, the proposition to be submitted to the House by the gentleman from Tennessee [Mr. GORE] is in effect to suspend for an additional year the Aiken Act. The proposition which the gentleman from Tennessee [Mr. SUTTON] said he would submit to the House is repeal of the Aiken bill. As between those

two propositions, which one does the gentleman from Illinois favor?

Mr. SABATH. Oh, there is no question in my mind but what the righteous thing to do is to repeal that infamous law, the Aiken Act. No one is for it. It would bankrupt the farmers and it will not do any good for the consumers. However, at this time I am supporting the Pace bill because in a measure it adopts the recommendations to some extent of the Secretary of Agriculture who I consider the best posted and the fairest man so far as agriculture is concerned. He has not only his own Department at heart; he has the interest of the Nation at heart.

Now, he realizes what the Democratic Congress under the leadership of President Roosevelt and now under President Truman has done for agriculture. I do not have to tell you what the prices in 1933 were on the various commodities. Here are the prices that the farmers received in 1932 on some of their commodities and livestock as compared with the prices received on June 15, 1949:

	1932	1949
Beef cattle.....	\$4.....	\$20.
Hogs.....	\$3.....	\$18.
Poultry.....	11 cents pound.....	26 cents pound.
Wheat.....	38 cents.....	\$1.86.
Corn.....	31 cents.....	\$1.21.
Eggs.....	14 cents dozen.....	44 cents dozen.
Butter.....	21 cents pound.....	56 cents pound.
Milk.....	\$1.28 per hundred.....	\$3.55 per hundred.
Cotton.....	6½ cents.....	30 cents.

The farm subsidies, farm loans, crop loans, seed loans, and support prices were justified in 1933, when the vast majority of the American farmers were losing their farms and homes.

The extremely low prices received by the farmers for their commodities were destructive, because 16,000,000 people were unemployed and nearly the same number employed only part time and at greatly reduced wages which were insufficient to enable them to buy enough food to sustain themselves and their families, nor to buy even those cheap things that the farmers were trying to sell.

Mr. Speaker, we must not—we cannot afford—and I am sure the country will not tolerate the recurrence of such terrible conditions and suffering by the American people. In view of the splendid record of the Democratic Party I appeal to you to give favorable consideration to this administration bill—the Pace bill.

What is the record of the Republican Party as to agriculture? What is the record? They have no record, unless it was the greedy Smoot-Hawley tariff bill that destroyed America, or unless it be the \$500,000,000 wheat relief bill of 1929, which as soon as it was expended led to the collapse of farm prices and brought on the greatest crash in this country's history. The farmers went bankrupt, losing their homes and their farms.

Now the farmers are prosperous. The Nation is prosperous; and I will say to you, Mr. Speaker, that every section of our country is prosperous. The South has derived as great a benefit under the

New Deal and the Democratic administration as any section of the country. For this reason I hope my colleagues will not be led astray by the "collusive combination" of Republicans and Dixiecrats, but will vote against the mongrel Gore substitute and for the Pace Democratic administration bill.

You Republicans received and enjoyed these benefits as well, because many of your farmers in 1932 and 1933 went bankrupt, were committing suicide, and were losing their homes and all they had. The stores were closed. It was under a Democratic President and by a Democratic Congress that legislation was enacted making this country as prosperous as it is. For that reason I support the Pace bill, although I was hopeful it would give more liberal consideration to the consumer.

Therefore, I again implore and urge that you vote against the Gore substitute which has the blessing of the Republicans, and that you vote for the Pace bill.

You gentlemen have taken the following oath—that you will well and faithfully discharge the duties of your office. I ask, and the country demands, that you keep this solemn pledge and obligation, and not play cheap politics in considering a farm policy at the expense of the present and future well-being of the farmers and consumers of our great country.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I shall rather quickly attempt to explain this rule and make clear that the rule now before us provides for 6 hours of general debate on the bill H. R. 5345, introduced by the gentleman from Georgia [Mr. PACE]. This Pace bill would amend the Agricultural Adjustment Act of 1938 by doing a number of things which I am not sure I could explain to you in full detail if I attempted to do so. I do know however that it would change the present parity price formula, it would change the present support price system that American agriculture has known for the past 10 years, and it would also permit a so-called trial run on the Brannan plan of paying the farmers of the Nation high prices for their products, while selling the same products to the consumers at a low price, with of course, the general taxpaying public paying the difference.

This rule would also—and it is a special rule as far as this particular feature is concerned—make in order the consideration of the bill H. R. 5617, introduced by the gentleman from Tennessee [Mr. GORE], as a substitute for the so-called Pace bill. The Gore substitute would simply postpone for 1 year, or until January 1, 1951, the effective date of the so-called Aiken law passed by the

last Congress, and would continue in operation the present farm price support law, and the present farm parity formula, all of which has been in effect since 1938, so as to give to the Congress an opportunity to study the whole American agricultural problem further.

I may add it is my understanding the National Grange and the American Farm Bureau support the Gore bill and are opposed to the Pace bill, while the Farmers Union, headed by Mr. Patton is in favor of the Pace bill.

By the way, both of these bills, H. R. 5345 and H. R. 5617, contain some technical errors, either in printing or in the structure of sentences, that will undoubtedly have to be amended. So there will in all probability, be technical amendments offered to both measures.

In conclusion let me say there seems to be a great deal of confusion in the minds of almost everyone I have talked to about just what H. R. 5345, the Pace bill, will do. Certainly the bill was not explained thoroughly to the Committee on Rules. Certainly there was a sharp division of opinion among the members of the great Committee on Agriculture, who appeared before the Committee on Rules, on this bill. No one could give us any information as to what the cost of the Pace bill will be or just exactly what will be done under it. However, it was rather freely admitted that the bill would confer a very, very broad grant of powers on the Secretary of Agriculture, giving him almost dictatorial control and authority over the farmers of the Nation.

I might add, in conclusion, if I may, that after listening to my great chairman, that outstanding agriculturist and farmer, the gentleman from Chicago [Mr. SABATH], explain this rule and attempt to inject partisanship into this whole question, that I am still confused just as I think most of the Members of the House are still confused as to what can actually be done under this bill.

This is not a partisan question. The future of American agriculture is a serious bipartisan matter. Incidentally both bills that will be considered by the House have been introduced by Members of the majority on the right side of the House, rather than by Members of the minority, so it is not a partisan issue which we have before us. Instead, it is a great national problem which confronts us. One upon which not only the future and the welfare of millions of farmers depends but also the future welfare of our entire country.

Mr. WADSWORTH. Mr. Speaker, I yield 8 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I favor the rule, and I also support the Gore bill which will be proposed as an amendment to the Pace bill.

I regret that the gentleman from Illinois, the distinguished chairman of the Committee on Rules has seen fit to make a political speech on this issue. There is too much politics this time in farm legislation.

But I am supporting the Gore bill because that represents the views of all the members of the Subcommittee on Agriculture that has charge of the drafting of farm legislation.

Mr. Speaker, this is the first time in my long experience as a member of the Committee on Agriculture that political partisanship has entered into the drafting and consideration of our complicated farm problem. I regret this exceedingly, because it vitally affects the welfare of 6,000,000 American farm families. Because of great diversity in American agriculture, the farm problem is an economic question, which can only be solved by honest and sincere consideration on the part of Members of Congress of both political parties and the people whose welfare is at stake.

I have been one of those who has pursued the philosophy that general prosperity for the people of the United States stems from a prosperous agriculture. American farmers are the only group in our economy to produce an annual crop of new wealth from the same soil, and this new wealth supplies the vitality in the blood stream of our economy to determine whether we have a depression or generally prosperous conditions in the country. In view of this strong conviction, I have always endeavored to be fair to every segment of our greatly diversified agricultural economy in the shaping of legislation for the welfare of American farmers. I cannot say that I have always received the same consideration at the hands of some of my colleagues in the consideration of problems affecting the welfare of millions of farmers engaged in the production of diversified farm products and dairying. Be that as it may, I insist that the stakes are too high, and the risk too great, to solely place the solution of the farm problem on a political basis.

Since our discussions in past years involving agriculture have generally been on a high economic plane, recognizing the realities of our action, it is difficult for me to understand why some of my colleagues of long experience and able judgment, should overnight, cast aside their better judgment to make a political football out of the future welfare of 6,000,000 American farmers. Time and events will supply us with the reason for this radical change in conviction on the part of the majority members of our once great Committee on Agriculture of the House of Representatives.

The House is about to pass judgment on H. R. 5345, commonly known as the Pace bill. There are some good features of this bill, over which agreement could be reached. However, the injection of the Brannan plan as the important part of the bill raises the vital and controversial issue on the merits of the proposal and the sincerity of its sponsors.

The Brannan plan which promises prosperity to farmers and cheap food for consumers, rich and poor alike, is the most fantastic scheme that has ever been presented to Congress for consideration. It is not a new plan, for it has been used in every country where Communists and Socialists have gained control over the government by promising the people, if they vote right, all kinds of food and luxuries at low costs and prosperity for the farmers, at the expense of the taxpayers. In England, where farmers have lost their freedom, the Socialist government paid out more than \$2,000,000,000

in subsidies in 1948. In the past 4 years, American taxpayers have given England more than \$6,000,000,000. Under the Marshall program, the British are slated to receive more than \$1,000,000,000 this year, and they are asking for additional billions.

While the Secretary of Agriculture possesses more power than any other Cabinet member, the enactment of the Brannan plan, as presented to the committee on April 7, would complete the circle, and the Secretary would become the czar over 6,000,000 American farmers. The plan would regiment and control every farmer, his production and his income. In other words, it would destroy freedom for American farmers and reduce them to economic slaves dependent upon the edicts and bounty of the Secretary of Agriculture and the Congress for billions of dollars in appropriations to carry out the commitments of the Secretary. I will not be a party to any scheme which destroys freedom for American farmers.

It will be said by the sponsors of the Brannan plan that the proposal is only a trial run on three commodities to be selected by the Secretary and therefore we should authorize the plan. Section 3 of the Pace bill is permanent legislation. It is not a trial run. The Secretary can select three commodities in 1950, three commodities in 1951, three other commodities in 1952 and so on upon which he can use his experiment. The cost of the experiment will be terrific. It will run into billions of dollars annually and there will never be enough tax money in the United States Treasury to pay the bill. This will mean that the farmers will wind up without any program whatsoever and we all know what that will mean to the economy of our country. It would be disaster.

Those who urge a little bit of the Brannan plan as a trial run are unwittingly, I am sure, sponsoring an experiment in Old World socialism, which will destroy freedom for American farmers and be the beginning of the end for our Republic. I want no part of it in our country. Not even a little bit as a trial run. I am satisfied, from past experience, that the members of our Committee on Agriculture can get together and draft sound farm legislation along American lines that will assure abundant supplies of food, fiber, and tobacco for consumers and prosperity for those who till the soil.

Mr. SABATH. Mr. Speaker, I yield 6 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, the Rules Committee presented this rule in the form in which you find it because the committee understood that was the manner in which the membership of the House wanted the question presented.

I am opposed to the so-called Pace bill. The embarrassment that I experience in opposing this measure arises out of the fact that the sponsor of the bill is the gentleman from Georgia [Mr. PACE], who has given the heart of his life to the cause of those who till the soil. I regard him as being the best informed man, or certainly one of the best informed men, in the country on the subject of agriculture. I am not disposed

to assault the bill that he sponsors; there has been too much time, thought, and deep interest of the farmer put into it to make an attack of this kind in good form. I am glad, however, that I see signs of a disposition upon the part of the Committee on Agriculture to give ground on the Pace bill. I think that is evident to everyone. It is something that is probably the result of what seems to be the sentiment of this body.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; in a moment.

Let me say that I do not question the very deep sincerity of the gentleman from Georgia [Mr. PACE]; I know that he has given no sign of any willingness to compromise; but compromise, in my judgment, is what we shall get; the result will not be a victory for either the majority or the minority; it will, in my judgment, be "dog fall."

In my belief, the Pace bill is out; I am confident that this committee will turn it down by a vote of from 70 to 120—perhaps not quite so high. It is my opinion, however, that some substitute will be accepted. If my only choice were limited to the pending bill and the Gore substitute I would take the Gore substitute. A motion, however will be made to amend the Gore substitute providing for the repeal of the Aiken bill rather than defer its effective date to January 1951.

If the Aiken bill has any friends, I do not know who they are; and if the Gore bill is accepted, or some substitute offered by some member of the committee which provides for a continuation of the present program carrying the repeal of the Aiken bill, I trust that the result will satisfy the membership and both the majority and minority. I do not know why anyone should want to continue the Aiken bill except that party pride may be involved, and while not interested in putting the measure into effect, I can understand that there may be some disposition to let the matter ride until a later date when the Congress will have had time to restudy and propose a different bill covering the general subject of agriculture.

Friends of the pending bill should recall that acceptance of the Gore bill, amended to repeal the Aiken Act will be doing that which the gentleman from Georgia proposed in a bill introduced by him earlier in the session. So, no matter which way the vote goes the gentleman from Georgia is bound to win.

Personally, it would be much more preferable to me to continue the present program and repeal the Aiken bill outright. I can see no good sense in continuing that bill.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. MASON].

THE ORIGIN OF THE BRANNAN PLAN

Mr. MASON. Mr. Speaker, Members of Congress have learned that the much-publicized Brannan farm plan is the brain child of Henry Wallace, Rexford Tugwell, and Alger Hiss. Prepared when Wallace was Secretary of Agriculture, it

was buried for several years and then resurrected by Mr. Brannan when he became Secretary. He dusted it off and is now trying to sell it to the American farmers as a 1950 election issue. If the plan will bring prosperity, as Mr. Brannan claims, why wait until 1950 to put it over? If, on the other hand, the plan is the brain child of the Wallace-Tugwell-Hiss trio, as reported, then our American farmers should beware.

Mr. Brannan has had months to work out the details of the Wallace-Tugwell-Hiss plan, but according to observers at Des Moines, he was unable or unwilling to reveal a single definite item of cost. He had no answer to charges that milk subsidies alone would cost the taxpayers nearly \$2,500,000,000 a year. He refused to hazard a guess on the cost of guaranteeing an income standard on corn and wheat surpluses. He asks the farmers to buy "a pig-in-a-poke" that he labels prosperity without any mention of cost to the taxpayer, or of the socialistic regimentation involved in the plan.

Our farmers do not want their prosperity dependent on the whims of political planners, who, within the last 6 months, have revised their own publicly announced platform, and have reversed themselves completely. Farmers still resent the killing of little pigs, ordered by the Wallace-Tugwell-Hiss trio 15 years ago, and they will resent the Government controls Mr. Brannan now proposes. When we start writing programs of this sort in Washington and begin poking them down the people's throats, we can no longer call our Government a Republic.

BRANNAN'S DOUBLE-BARRELLED FARM PROGRAM

Mr. Speaker, in trying to analyze Secretary Brannan's new farm program one finds it difficult to decide whether it is a farm program or a consumer program. Secretary Brannan proposes that farm prices should be allowed to sink to whatever level the law of supply and demand will bring about. This will please the 145,000,000 consumers by providing cheap food, but it will saddle upon the same 145,000,000 consumers added taxes to make up the difference between the cheap food prices and prices that guarantee a fair return to the farmer—plus a heavy payroll burden for the thousands of extra Government employees that will be needed to implement the program.

The 6,000,000 farmers of the Nation, on the other hand, are expected to be delighted with definite assurance that they will receive a check from Uncle Sam to guarantee them a fair return for their labor. Not so pleasing, however, to these same 6,000,000 farmers will be the endless bureaucratic dictation, controls, edicts, and restrictions that will be insisted upon as a necessary part of the Brannan plan. In advancing this program to subsidize and socialize American agriculture, Secretary Brannan did not consult any of the leaders of our farm organizations. Nor does he have any idea of the cost of his new farm program—at least he refuses to make an estimate.

Our present farm program is a good one; it has been tried and tested. Perhaps we had better hold on to that which is good, and try to improve it as we go

along. We would be foolish to discard our present program and adopt an untried socialistic program which even if it did work would destroy the traditional independence of our farm people. The question is, "Will the American farmer benefit by regimentation and Government control, which is what the program involves?"

THE HANDS OF 'ESAU, BUT THE VOICE OF JACOB

Mr. Speaker, we all know how Jacob fooled his old father and robbed his older brother Esau of his birthright. Under the new Brannan Farm plan the Administration hopes to drown out the voice of reason with the clink of dollars. With promises of price security the administration expects to get complete Government control over the farmer, and thus rob him of his birthright of independence.

Mr. E. R. Eastman, editor of the American Agriculturist, expresses it as follows:

This plan is the slickest vote-getting scheme ever pulled out of a politician's hat. The cost of the plan would be tremendous, running into an estimated seven or eight billion dollars annually. To share in the plan and the Government subsidies, the farmer would practically have to turn over the management of his farm to the Government bureaucrats.

The Brannan plan is thoroughly bad and inherently dishonest. It should be fought tooth and nail, not only because of the heavy tax burden that it would place upon us all, but also because it would be a long step toward a controlled economy and socialism. It would place the American farmer exactly in the same place that the British farmer finds himself today—at the mercy of government planners. Do our farmers want to exchange their birthright for a mess of pottage? Perhaps as Mr. Eastman suggests in his article, "They had better look this gift horse in the mouth."

POLITICAL SHENANIGANS WITH AMERICAN FARMERS

Mr. Speaker, Secretary Brannan's recent announcement that under authority of the C. C. C. Act he would make loans to farmers up to 75 percent of support prices on wheat stored on the ground makes one wonder why he did not take such action last year at this time. He had full authority to make loans of this kind last year but did not do so. Mr. Brannan steadfastly refused then to make grain loans unless proper storage facilities were provided. He refused to loan one dollar on wheat stored on the ground. This caused wheat producers to lose at least \$100,000,000 on their crops. Today with the same legal authority that he had last year he announces a large loan on wheat stored on the ground. The President during the campaign blamed the Republicans for lack of grain-storage facilities and for the slump in grain prices.

As a result of Secretary Brannan's recent loan announcement the price of wheat immediately advanced as much as 9 cents per bushel. This change in policy was no accident. It demonstrates to the farmers of the Nation that the administration has the power to raise or lower grain prices at will simply

by using or refusing to use the authority it has under the C. C. C. Act and other acts of similar nature. Can it be that the Truman administration is deliberately playing politics with the welfare of the 6,000,000 farmers of the Nation, using them as pawns in the political New Deal game?

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Speaker, during the last night session of the Eightieth Congress the Aiken bill was passed. Subsequently it was signed, becoming a public law, the effective date being January 1950.

Before this public law has ever been in effect, the Eighty-first Congress has before it House Resolution 5345, which does three things:

First. It changes the parity formula to an income-support standard, doing away with the original parity formula which was endorsed and accepted by the accredited farm organizations, AAA, and the Grange. Do not ever forget this parity formula was written when farm help was needed badly.

Second. It uses the yardstick of proper farm prices as a moving period for the past 10 years, taking off a year at each end of the period.

Third. It adopts total cash farm receipts as the basis of applying the index.

Who knows whether the Aiken bill or the proposed Resolution 5345 is good or bad from the standpoint of agriculture or the Nation? If the Aiken bill is bad, why did it become public law instead of receiving a Presidential veto? Is it bad before being in effect? Did the Secretary of Agriculture declare its defects before it became public law? Did the Secretary recommend that this law be signed or vetoed? This would be interesting to know.

How many practical farmers who are members of the AAA or the Grange actually know the contents of the Aiken bill? How many know what House Resolution 5345 contains?

A practical farmer does not want his products too high and out of line such as the top of \$42 cattle, \$32 hogs, \$2.25 corn, and \$3.25 soybeans unless what he buys is at proportionately high level. No group has the right, legally and morally, to, by legislation, have what is sold at the top price and what that same group buys at a low price and all out of proportion. The farmers, of all people, do not want this.

The same situation applies to wages and services rendered. No one group should have such privileges, regardless of the methods of attainment, political or otherwise.

When cattle were \$42 per hundred for the best grade, any cattle feeder wondered but did not question that he should not buy feed-lot cattle to market at 6 months later on that basis. That feeder knew he might take a severe loss. His better judgment said a \$42 cattle market is dangerous when he was dealing 6 months hence. When a hog raiser marketed hogs at \$32 he wondered how long it would last. He wondered whether to raise the same number of spring or fall pigs as he had before, again knowing

they would be marketed 6 months later. His better judgment in most cases said sell the corn at \$2.25 instead of raising so many hogs. On grain crops he felt somewhat different and planted accordingly. He had to resort to some income method. He saw corn with a large crop go down to \$1.25. He saw cattle go down to a top of \$32. He saw hogs go down to \$18, and he was not too surprised. He was prepared, because he had proceeded slowly and with common sense. Yet he did not see what he was buying go down on a similar basis nor has he seen it yet.

Now, before a so-called trial run on House Resolution 5345, why not a trial run on the Aiken public law? Why fool the farmer? Neither of these are trial runs. They are liable to be just as permanent as any public law unless public reaction, namely, farmer reaction, dictates otherwise. As a Representative in Congress and wanting to help with the right kind of legislation, it would seem agriculture as a group would and should prefer legislation in their behalf that would not make them political guinea pigs but legislation sponsored and helped in the writing of by agricultural groups to which they belong and have faith in, namely, the AAA and the Grange. Who in all common sense should they feel has their practical long-range interests at heart, those representing them through the years at all levels or those wanting their votes? No political party has the right to trifle by playing political football with that group's economy. No elected or appointed official has that right, either.

H. R. 5345 does not contain the 1,800 norm unit system (as used in Russia) and set up in recent proposals and now included in Senate 1882 in that body. If this legislation passes what do you think will happen on the norm of 1,800 unit system, when it goes to conference. Should a plan on pigs be put into effect according to the explanation of H. R. 5345. The Secretary of Agriculture cannot put the same into effect until he decides whether or not it will throw beef and pork out of proper relationship as to price. He must decide whether the consuming public will eat more pork than beef. Neither can he put it into effect unless appropriations are available and who knows the cost. The availability of appropriations remain with the Congress. Possibly Mr. Farmer today is thinking about taxes and spending down here in Washington. Possibly he wants some sense in Government.

If this legislation were public law years ago and applied to manufacturing the Congress would not allow automobiles to be built because it would hurt the buggy business. You could not have electricity because it would put the coal oil lamp on the shelf. Nuts.

Most practical farmers want fair prices for their products and efforts. In free enterprise which so far includes farming, if they take the losses, of course they feel entitled to the high profits during the good times of heavy demand. Most farmers resent being told what to do, and justly so. This is exactly what will happen if this legislation becomes public law. If the Aiken law contains provisions un-

desirable, they should be removed, and I am willing to help with such removal as long as I am here. The removals, however, should be with the distinct approval of the recognized agricultural organization. This Congress should not in my opinion rewrite legislation approved by these organizations before they have been put into effect, unless these same organizations have found constructive improvements can be added by amendment. Why should luxury perishable items be included with basic commodities in a support program. Everyone knows they were war measures and for the duration only, another trial run so to speak. This Government or this Nation does not have enough funds or available taxation to support all perishables. The public is fed up with potato programs. The original farm help legislation never intended that we should embark on such a program. Pork can be stored about 6 months without spoiling. Corn and other basic commodities can be stored indefinitely. Let Congress support storable corn and the prices of beef and pork will take care of themselves on a fair basis. This, of course, must be with the farmer's help.

Regardless of any agricultural legislation such as being proposed today or the Aiken public law, all farmers should never forget they still have the right by triple A elections to accept or reject whatever program is offered them. This will be their election. They can accept or reject by so voting. My suggestion is they had better be on hand to vote that day. They might be voted into an 1,800 norm or bondage.

Mr. Speaker, I am not voting to make the American farmer a sharecropper.

(Mr. SIMPSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

[Mr. LYLE addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. LYLE asked and was given permission to revise and extend his remarks.)

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. COLE].

(Mr. COLE of New York asked and was given permission to revise and extend his remarks.)

Mr. COLE of New York. Mr. Speaker, I am opposed to production subsidies in any form, whether for the farmer, the manufacturer, the merchant, or the consumer. Subsidies which are but handouts from the Public Treasury are hostile to the philosophy of life which has made our country great. They destroy initiative and self-reliance. They dim vision and foresight. They circumscribe personal liberty and enterprise. They encourage indolence and extravagance. They generate regulation and regimentation. They require higher taxes and greater public debt. They are class legislation.

The full power of Government must be used only to prevent extreme hardship of the people, including the farmer. It

should be used sparingly and seldom. A permanent program of Government aid whether under the Brannan plan, the Hope-Aiken plan, or the Applesseed plan will eventually destroy the moral fiber and character of the American farmer. I cannot lend them my support no matter how politically expedient it might be.

The best way to help the farmer as it does all our citizens is to have a sound financial Federal structure. Subsidies beget more subsidies and lead to national bankruptcy.

Mr. SABATH. Mr. Speaker, I rise again because the gentleman from Ohio always refers to the Chicago farmer. I want to say to him that I have raised more crops than he has. Yes; I have shipped as many as 1,200 to 1,400 cars of produce that I raised on a 1,200-acre farm. I had done so up to 1931 or 1932, when I was obliged to give up. I could not stand it any more because of the Republican prosperity which was not ours.

Now, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says, "Why, this will bankrupt the country. Look at what the Socialist Government of Great Britain has spent. They have expended \$2,000,000,000." Why, gentlemen, we spent on livestock alone in 1944, 1945, and 1946 in subsidies \$1,590,716,246. The dairy subsidy for the same 3 years was \$1,513,622,179. On these two items alone in subsidies we spent in the 3 years mentioned a total of \$3,104,338,425. That is only on these two agricultural commodities.

I venture to say that this new bill will not cost nearly as much as we have paid out in support prices and subsidies under present law, but that was during the depression and during the war. The depression has been over for years; the war is over. We now have real prosperity. Consequently I do not see how this bill could cost the amount Republican spokesmen charge, but I am not surprised because they double and triple the cost on all legislation they are opposed to.

I realize why some of you Republicans are not for this bill. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] also stated that it is political. To bear out this charge of politics, I insert an excerpt from a notice sent out by the Republican minority whip, the gentleman from Illinois, Mr. LES C. ARENDS, to the 171 Members comprising the Republican minority of the House, as follows:

Upon the completion of the 6 hours general debate, a substitute bill will be offered and voted upon within a short time. Accordingly, it is of paramount importance that every Member be constantly on the floor Tuesday and Wednesday, July 19 and 20.

Every Republican Member who is on his feet and breathing, or shows any sign of life and is free from doctor's orders must be accounted for on the above-mentioned dates, and be ready to vote on this important and far-reaching legislative proposal.

We must defeat the Brannan farm bill. It can be done if all Republicans are on the job. Your vote is needed.

The Republican aim is to suspend the operation of the Aiken Act for 1 year.

I say, we should do it, and do it now. Repeal this law. Did not all of you Republicans vote against the Pace bill in committee? Have you voted any real

farm relief and are you not opposing it now? What is your record on that? I should like to see it. I want you to give the country the record of the Republican Party in the interests of the farmer and agriculture. You have no record with which you can go before the country. The Democrats have. All you have been giving the farmer is lip service. Our Democratic Party has demonstrated its ability and has legislated in the interest of the farmer and the country. I feel that we can trust again the party that has done so much for the country in the past and will do so in the future.

Mr. WADSWORTH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I realize how impatient the House is to proceed with this business, and with that realization in mind I shall not attempt in the limited time remaining during the debate on the rule to go into a detailed discussion of this bill. Rather, I shall attempt, and probably inadequately, to size up the situation as it appears to me.

First, this bill, as you will realize if you will only read it, and you will have to read it a good many times before you understand it—I have read it a good many times and I doubt that I understand it all—this bill does away entirely with the whole price support system as we have known it for 10 years, and to that extent it is revolutionary, and proposes in its place something that has never been tried in this country, the income support program.

To make that change means making a great decision which will have its effect down through the years to come—no one knows how many years. We would better pause before making that change.

Second, no one has been able to tell any committee of the House how much this program would cost if put into effect. No approximation of the figure has been given although there have been many guesses to the effect that if the program is put into effect under the income support philosophy, the cost might run anywhere from \$2,000,000,000 a year to \$8,000,000,000 a year—no one can tell. Surely we would be an adventurous Congress if we embarked upon a program with no understanding at all of how much it is going to cost—and the more adventurous if we should do so at this time when the Federal Treasury is in the red about \$1,800,000,000 a year, and will in all probability be in the red about \$5,000,000,000 a year at the end of the present fiscal year. We would better pause and look around a bit before we embark upon any such adventure.

Thirdly and lastly, as I see it, this bill plants some seeds—some seeds in the ground. True, its proponents say, "We will only plant a few at a time." I am referring now to the trial run proposal. They say, "We will only plant a few seeds at a time." But, Mr. Speaker, I am convinced that once you plant those seeds, there will develop from them hardy perennials which will live from year to year scattering their own seeds and multiply their own strength by the spread of the roots under the soil. You may plant only

two or three rows, but having done that much those rows will grow and grow and finally spread over the whole field and with it will go the loss of liberty for the farmer. It is inevitable—it has happened in every country that has tried such a thing.

What do I mean when I say "loss of liberty to the farmer"? I mean that the Secretary of Agriculture, under the development of such a philosophy, would no longer properly be called the Secretary of Agriculture, but he would be called the Master of Agriculture, clothed with power unthinkable and never before proposed in this country until the Brannan philosophy was laid before us. The seeds of that philosophy are in the Pace bill—make no mistake about it.

May I close by stating to you my firm conviction that the most precious thing in the possession of the farmer is his liberty. Seldom, if ever, do you find a man going into farming with the hope or confidence that he will make a great fortune—seldom, if ever. The fact is that very few great fortunes have been made in agriculture. Why do men cling to that avocation? Why do they work 60 hours a week, or more than that if they happen to be dairy farmers? Because they like to plan their own lives. They like to sit on the porch on a Saturday evening after supper and gaze across their fields, noting the development of their livestock and the growth of their crops and the condition of their pastures. They like to sit there and plan freely not only as to what they will do on next Monday, or next month or in the next 6 months, but what they will do the next year, and the next 2 years, and for 3 years or more. Farming has to be planned. You cannot close down a farm the way you close down a factory. The man who does the planning is a man who must be free, and his most precious possession is his liberty. Take that away from him and the enjoyment of farming is gone.

Mr. SABATH. Mr. Speaker, I withdraw now what I said before about the Republicans. I realize that you Republicans follow the orders of your leaders but I question whether they have submitted the views of the progressive members of your party.

I move the previous question, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5345, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is recognized for 3 hours, and the gentleman from Kansas [Mr. HOPE] for 3 hours.

The gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, more than 123 years ago, in the year of our Lord 1820, the House Committee on Agriculture was created. A very distinguished North Carolinian, Congressman Lewis Williams, a native of Surry County, N. C., introduced the resolution which resulted in the creation of the House Committee on Agriculture. Although Congressman Williams served in this House for 28 years and died while a Member of Congress, he never actually served on the committee which had been created as a result of his own foresight and vision. Seventeen years later Congressman Edmund Deberry, another distinguished North Carolinian, became the first representative from my native State to serve on this important committee. Congressman Deberry became chairman of the committee and his service in that capacity terminated in 1845. No other North Carolinian served on the House Committee on Agriculture until I came to Congress. So for more than 104 years I am the only North Carolinian to become chairman of this very great and important committee.

I mention these things, Mr. Chairman, merely to emphasize the point that I take great pride in my membership on this committee. I am happy in the glad thought that after so many years, yes, so many long decades, another North Carolinian is serving on this committee. I am bold to assert that during my 15 years service on this committee more legislation beneficial to the farmers of this Nation has been enacted into law than had been enacted in all of the history of this Republic.

I take pride in the fact that I have been permitted to participate in the preparation and in the passage of various acts of Congress which go to make up a well-rounded Federal farm program, the first program that the farmers of this Nation have ever had; it is a program that has been tested and tried; it has served well the cause of agriculture both in times of peace and in times of war. When war came upon us there was no segment of our economy better prepared for the shock of war than American agriculture. Our warehouses were filled to overflowing, and our fields were flourishing; and, yes, when peace came to the world again agriculture was prepared for the impact of peace. Under this program the farmers of this Nation have prospered to an extent heretofore unknown, and again I say that I take pride in my membership on this committee. I hope you will pardon this little personal reference.

I am a lawyer by profession; the law is my love and my life, and I was happy in the practice of law. But in my childhood I learned something about farmers and farm problems, and life on the farm. Early in life I became interested in the cause of agriculture. When I realized that my great State, which was one of

the leading agricultural States of this Union, had not had representation on the House Committee on Agriculture for so many long years I told the people of my district that I would seek membership on that committee; and, fortunately, by the help of my friends here in the House and perhaps because of my announced purpose, I was elected to that committee in my first year.

I want to clear up another thing here and now: I have never in my life cherished political ambition. In my childhood I never cherished any ambition to sit in the seat of honor or to hold high office. I have said that on every platform in my district and in my State, and the people of my State know it. I now have no political ambition; my one burning desire is to vindicate the faith that the people of my State and district have placed in me. So I come before you not to pull anybody's chestnuts out of the fire. I have had many great predecessors; and I am now perfectly willing to bow with respectful deference before the splendor of their greatness and capacity and to confess that all of them were far greater than I. But to none of them will I yield in my sincere devotion to the cause of agriculture, and no one of my predecessors was ever motivated by a deeper degree of sincerity than I am at this moment.

I come before you proud of my agricultural record; and, yes; I am proud of another part of my record. I know that this House frequently breaks up into groups; I have a labor record, and it is just as good as I want it to be; I do not have to apologize for it here or at home. I have voted for the rights of labor, to give to labor the minimum wage, to give to labor collective bargaining, to give to labor job insurance, social security, and the right to strike.

I stand here now ready to increase that minimum wage, to make more secure the right to strike, to make more secure the right of collective bargaining. Yes, I have voted for and supported all of the basic fundamental rights of labor.

I realize that labor and agriculture must prosper together in this Nation. We have a great Nation, the greatest in the world and the men and women of America in the fields and factories of America have made it great. The farmer cannot be prosperous unless the worker in the city is prosperous. The city worker cannot enjoy that degree of prosperity which he has a right to enjoy in this Nation unless the farmers of this Nation are prosperous. So, agriculture and labor and industry must go hand-in-hand and side-by-side along the road of progress, each pulling its part of the heavy load along the road that leads to prosperity.

Let me remind those who are prone to think perhaps too much of labor and too little of agriculture that agriculture is the mother of all the arts, it is the nursery of all industry. It supplies materials to commerce, jobs for labor, and food and fiber for the human race. It is the basic industry of America and we must keep it prosperous. I do not believe that any of us will ever be able to know or to fully understand the importance of the things we are about to do.

I believe that all of us know that when agricultural commodity prices go down, our agricultural economy is headed for trouble. When the farmers of this Nation find themselves in trouble, grief will soon visit the hearthstones of every man and woman that lives beneath our flag. We must support our agriculture at a high level, not only to protect the economy of our Nation but to protect the security of this Nation and to play our part in the international affairs of this great world.

I appreciate, Mr. Chairman, the political implications and considerations which are here involved, I appreciate the fact that this issue has become involved in partisan politics, but I want to say for my committee that the Committee on Agriculture has been, for at least 15 years, during my service on it, free from partisan politics and seldom, if ever, has partisan politics lifted its ugly head in our committee. I deplore the fact that now partisan politics has lifted its ugly head in my committee and is lifting its head on the floor of this House. I abhor the thought that these great issues must be considered and decided in such a purely political atmosphere.

It does seem to me in deciding upon issues of this magnitude and importance that we as Americans could lift ourselves above the bondages of passions and prejudices and sit down together dispassionately and calmly and consider these issues which so vitally affect the lives and the livelihood and the happiness and the welfare of the people of our Nation; yes, of the people of the world.

Let us look at the issues before us. I take pride in the program that has been written for the last 15 years and under which we have operated so successfully. But I tell you now, after careful study, that that program is showing weaknesses and that it is not now a perfect program. If then that program shows weakness, why should we not give it strength? If it is displaying imperfections, why should we not try to perfect it?

When we came to this session of the Congress, I appointed some important subcommittees. I appointed the gentleman from Georgia [Mr. PACE], as chairman of the subcommittee to handle this problem, and on my motion the gentleman from Georgia was made vice chairman of my committee by unanimous vote. The gentleman from Georgia has worked diligently and faithfully and long hours, both in the daytime and nighttime studying the question here presented. We called upon the legal experts of the Department to analyze and to interpret the Aiken bill line by line, and paragraph by paragraph, in an effort to find out what it contained. Now we know the Aiken bill for what it really is.

Coming again to partisan politics, I know that all of the Members of this House who were here in the Eightieth Congress recall the fact that on Sunday morning, June 20, 1948, after an all night conference, an important vote was taken. The vote was on the Aiken bill. When the roll was called, every single soul of us on this side of the aisle voted against it and my recollection is that every sin-

gle soul on that side of the aisle voted for it.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I certainly will yield for a correction.

Mr. HOEVEN. For a correction.

Mr. COOLEY. I will modify that.

Mr. HOEVEN. Is the gentleman talking about the vote on the conference report last year?

Mr. COOLEY. Yes.

Mr. HOEVEN. There was no roll call, I would like to advise the gentleman.

Mr. COOLEY. But there was a vote. I accept the gentleman's statement to the effect that there was no roll call.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think the gentleman would like to have the record straight. The gentleman knows that I did not vote for the Aiken bill. I voted "no" on it. He knows I voted against it in conference. What is the use of taking up so much time to tell who voted for it and who did not?

Mr. COOLEY. I apologize for that, and I just want to say to the membership that the very distinguished gentleman who has just spoken was one of the conferees, and along in the middle of the night, when the pressure was burning down from Philadelphia and the party lash was being used from one end of the Capitol to the other, the gentleman from Wisconsin [Mr. MURRAY], withdrew from the conference rather than to give up his honest convictions.

That was the first time I have ever seen this House vote blindly and in woe-ful ignorance of the proposition they were deciding. We know now that it was a blustering blunder. So we came out with this monstrosity, the Aiken bill, and even now the author of that bill is frank and fair enough to confess that he himself did not know what was in it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I suggest to the gentleman that the bill was written down in the Department of Agriculture and sponsored by the then Secretary of Agriculture.

Mr. COOLEY. I do not know where it was written and I do not care where it was written. It was bad. If it is a serpent which will sap the life out of that segment of our economy that depends upon the soil. Why, pray tell me, should any Democrat want to breathe another breath of life into it and extend it and hang that serpent over the heads of the farmers of this Nation for another 12 months?

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. What the gentleman is saying, and I agree with him, is that the paramount issue before the House today is whether or not that bill will be repealed.

Mr. COOLEY. That is, of course, the great issue. The committee bill provides

for an outright repeal of the Aiken bill, with no apology for that bold action. Now we are met by an unusual sort of a situation, where, by some sort of collaboration, a bill has been written into the rule by number, which seeks to suspend that serpent over our heads. If it is a snake and if it is poisonous, and deadly, why not destroy it? I cannot see how any man who voted against it in ignorance and now discovers its vicious and foul provisions would want to extend its life. Let us face up to the issue. The gentleman from Tennessee [Mr. SUTTON], a member of the House Committee on Agriculture, an ardent advocate and supporter of the committee bill but a man who desires to be frank and fair with this House, indicated to us a moment ago that he would place the issue squarely and fairly before us, whether we will repeal the Aiken bill or whether we will accept the proposition of his colleague, the gentleman from Tennessee [Mr. GORE], and extend its life for another year. On that vote I think we have no alternative other than to trample it beneath our feet and defeat it. Then comes the real issue involved, between that proposition and the committee bill.

Now a little bit about the committee bill. When we discovered as a result of our careful studies, extending over a period of weeks and months, that the present program has imperfections and weaknesses, we set out to do something about it. People say, what will this new program cost? I will ask the question, what will the old program cost? Nobody knows. We know this, though, that the potato program alone has cost the taxpayers of America \$408,000,000, that the egg program has cost the taxpayers \$84,000,000, and that the wool program has cost the taxpayers in excess of \$80,000,000. We have on hand 60,000,000 pounds of powdered eggs, that are now deteriorating. That is a lot of rotten eggs. Talk to me about rotten apples in the barrel. These rotten eggs will wreck this program which has served agriculture if we do not do something about it. Now, are you going to sit here and say we will continue the old program and bring the house down on our heads?

We are not retreating. We are not compromising. We are not taking a non-suit and we are not taking a nolle prosequere. We are here—every Democrat on the Committee on Agriculture, including the gentleman from Tennessee [Mr. SUTTON], sincerely and honestly believing that we understand the propositions involved and we are urging the House to accept and embrace and adopt and approve the committee bill.

I am taking nobody's chestnuts out of the fire. I do not believe that I will have to go home and try to sell myself to the farmers of North Carolina, and I am certain that not one among them would question my sincerity. I do not question the sincerity of those Members on the other side of the aisle. I accord them every right that I claim for myself. I do not know of a man in the House of Representatives for whom I have greater love and affection than the gentleman from Kansas [Mr. HOPE]. I do not know a man whom I hold in higher esteem.

He is honest and courageous and truthful and sincere. I know that he is certainly one who, when he comes to the well of the House, speaks from the impulses of a sincere heart.

But we have the responsibility as was pointed out a moment ago by the gentleman from Texas [Mr. LYLE]: shall we accept the old program as it is and refuse to improve it or perfect it?

What do we do here? This is not the Brannan plan. Heaven help us, the Brannan plan contains 86 pages. I show it to you here it is in my hand. It was introduced by Senator THOMAS in the Senate. This bill now before you contains only 12½ pages. I am frank and bold enough to say that I was not willing to embrace all of the Brannan plan. I do not believe that any of the members of the committee on either side were willing to embrace all of the Brannan plan. But when we studied the Brannan plan we found that after all it was not so bad. We have fixed it so that the Secretary, at least, could have an opportunity to experiment. This thing has been viciously maligned. They have said everything on earth about this bill which is now before you. It is burdened with all the vicious propaganda that could be leveled at it. This is the committee plan which contains only a small part of the Brannan plan—merely enough of it to afford an opportunity to conduct a proper experiment.

Then we decided on account of the uncertainty existing with regard to the experimental features of the program, although we had fully indicated in the report that it was a test or trial, there was nothing in the bill to so indicate, so the majority members of the committee agreed to offer a substitute which will contain a definite limitation of 2 years.

Further, upon consideration we decided that since we knew that eggs and potatoes and wool had been expensive commodities to handle under the price-support program, we would come out and name them so as to remove uncertainty as to what commodities would be selected. I believe, and honestly believe, that these programs handled by the Secretary with a combination of methods of supporting prices, will prove far less expensive than the old programs have proven. He must make certain honest findings. He must find that this price payment program on these three commodities will be the most practicable and most effective way to support prices.

Now, what is horrible about permitting this experiment, circumscribed as it is, with directions to the Secretary concerning his findings and his methods.

The other change is the change in the formula for determining parity. We have abandoned the old period from 1909 to 1914 and we come up to the last 10 of the last 12 years and relate the income of the farmer to the income of the non-farmer and we have come out with the figure which fortunately or unfortunately is just about 90 percent of parity as we have known parity in the past.

I shall not go into any great degree of detail with reference to the provisions of this bill since I know that the author, the gentleman from Georgia [Mr. PACE], will do so. I know the membership of the House is anxious to know something

about this measure because all of us must go home, after having taken our position, and explain why we voted as we did.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WHITE of California. I wanted to be sure that the gentleman did not leave the impression—which some Members of the House, who are not well posted on these matters, may have—that we are striving to create something new in the handling of perishable commodities and junking the old. It is merely the implementation, another privilege that the Secretary has, without throwing out the old, and he cannot use this new power unless he finds it the best and most practical method. Is that right?

Mr. COOLEY. That is right.

Mr. WHITE of California. Now, just one further thing. The gentleman from New York [Mr. WADSWORTH] dwelt on the theory that it makes a dictator out of the Secretary of Agriculture. That has been spread throughout the length and breadth of the land. I say to you that this is the only method under which the farmer can have price support and still have some semblance of freedom. He does not have to go in unless he wants to. Is that not right?

Mr. COOLEY. The gentleman is entirely right. They talk about regimentation. If the membership of this House will sit here and listen to this debate with open minds, they must be convinced that this bill circumscribes the authority of the Secretary almost to the *n*th degree. When you compare that with the broad, wide-open powers of the Aiken bill which will fall heavily upon agriculture unless we act now, I believe you will change your minds and will agree to support this measure.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 15 additional minutes.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CHRISTOPHER. Does not the gentleman think it is a fact that the word "regimentation" has been used where the word "cooperation" would fit a great deal better?

Mr. COOLEY. The gentleman is exactly right. The basic commodities will be handled in the future just as they have been handled in the past. Farmers will have an opportunity to express their views with regard to the controlling of acreage and the marketing of their products. You cannot force it on them unless two-thirds of them vote in favor of it.

The difference in actual dollars and cents is about 19 cents for cotton under the Aiken bill or about 27 or 28 cents under the committee bill. Other commodities come out about the same.

Now, why all this agitation of mind and spirit about this simple proposition? Are we going to sit here and fail to act? The Aiken bill goes into effect on January 1. To all intents and purposes it actually goes into effect the minute that this Congress adjourns without do-

ing something about it. Let me tell you, when that yoke falls on the necks of the farmers, it will prove to be a yoke of thorns that will bleed the farmers of this Nation to death. It will mean actual bankruptcy in many parts of the farming country of America. You cannot pull the rug out from under agriculture and hope that our national economy will survive. I say to you this is a sincere effort on the part of the Committee on Agriculture to bring to this House a proposition which we heartily endorse and recommend to you and urge your approval.

I want to say in conclusion that it is not the attitude of the gentleman from Georgia [Mr. PACE] it is not my attitude, nor is it the attitude of the committee that we are trying here to force our will upon the Members of this House. We want this committee to work its own will, to make its own decision, but we want you to hear this debate with open minds and hearts, and then reach your own honest judgment about what your duty is. Do not refuse to give us a hearing. Do not repudiate this great committee of mine unless you have just cause to do so.

In the 15 years that I have been on this committee not one single solitary time have we met defeat at the hands of the House of Representatives. Oh, yes; we are in trouble now; we need the support of the thinking men and women of this House, and it will probably take every vote we can muster to adopt this committee bill. I urge you to believe me when I say that I am sincere in my determination not to weaken—and I shall not weaken—on this bill. I bring it to you from my heart, and I know as you hear the gentleman from Georgia, STEVE PACE, explain it you must be impressed with his great sincerity. But let me ask you this, you Democrats and Republicans alike: Am I indebted to the Democrats in the executive branch of this Government? Is the gentleman from Georgia [Mr. PACE] influenced by bureaucracy here in Washington? Or are we free—I mean politically free—to exercise our own honest judgment. I do not know what you think about it, but I believe you would have to look a long time to find two men who are freer from evil political influence. Yes; all the men who sit with me on that Committee on Agriculture are free. We bring you the proposition; it is your decision; it is a great decision. It is a decision which vitally affects this Nation and perhaps will vitally affect this world. I appeal to every Republican and to every Democrat to hear this debate. It is a simple proposition; the issues have been beclouded, the bill has been maligned and deliberately misrepresented, but it is a simple proposition, an important one; and I urge you, and I know you are Americans, to vote with the highest degree of intelligence. When you do that I shall be satisfied and I shall abide by the decisions which are ultimately made.

Mr. HOPE. Mr. Chairman, I yield myself 30 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. HOPE. Mr. Chairman, we have before us today a bill which I believe goes a good deal further in its implica-

tions than most bills which come before this Congress. I desire to go into those implications a little later, but I do want to say in a preliminary way that I regret very much that the committee was not able to get together and bring out a unanimous report on a farm bill. I believe I speak for every member of the committee when I say that we all feel that some bill should be enacted at this session. With one or two exceptions, at least the minority members of the committee do not feel that the Aiken bill should go into effect next January and this of itself makes it necessary to pass a bill now. I had hoped that, as in the past, it would be possible for the committee to get together on a bill and, to be frank, I thought until quite recently that the subcommittee which was working on the legislation, and the committee as a whole would get together upon the bill which is now before us as the Gore substitute. That program was changed. I do not know why. All I know is that after the subcommittee had agreed to recommend a 1-year extension of the present program, something happened and the Pace bill was presented to the subcommittee and to the full committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that we did get together on a 1-year extension of the present law and suspension of the Aiken bill for that period?

Mr. HOPE. Yes; the members of the subcommittee did.

Mr. AUGUST H. ANDRESEN. That was unanimous.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. WHITE of California. Of course, the gentleman recognizes that a committee has the right to change its mind?

Mr. HOPE. Oh, yes. I said the committee did change its mind. That is, some members did, but I do not know why.

Now let me say, in the very beginning, that it is not true, as has been stated in the committee report, that the choice we have before us is the Pace-Brannan bill or the Aiken bill, because we have another choice. We have the Gore bill, which is reenactment of legislation now in effect, which is working as successfully as I think any farm legislation can work in a period of a changing economy—a law which has behind it several years of successful operation. The law which the Gore substitute proposes to reenact had its beginning, and I am sure the gentleman from Tennessee [Mr. GORE] will bear me out, as the so-called Steagall amendment in the formulation of which I know the distinguished gentleman from Tennessee [Mr. GORE] had a very important part. It was a proposal which came out of the Banking and Currency Committee as a part of one of the price-control bills, and it was adopted, as I recall, by the House without opposition. Republicans and Democrats

over marketing it back in 1941. It was the law during the war and by its terms it was in effect for 2 years following the war.

Last year, with a few modifications to adjust it to conditions that existed at that time, this House enacted it again. It was unanimously reported from the Committee on Agriculture. So the Gore bill, which I hope this Committee will see fit to adopt, not only has behind it a long history, of nonpartisan support in the House, but it has also a record of successful operation, as successful as I think we can possibly have in a period when our economy is changing as rapidly as it is now.

As to the gentleman from Georgia [Mr. Pace] for whom I have the highest regard and esteem. I join in everything that his colleague, the gentleman from Georgia, [Mr. Cox] said about him this afternoon. I am sure that he does not think that there is anything seriously wrong with the Gore substitute, because on the first day of the session, as I recall it, he introduced a bill which would have enacted the Gore substitute into permanent law. We are not asking that that be done. We are asking that it be extended for 1 year. So, I am sure that the gentleman from Georgia will not have to wrestle with his conscience if he should find himself, through the course of events in this House, he must vote for the Gore substitute in order to start legislation on its way to the other body.

I do not need to go into any discussion of the Gore substitute, because I think everybody knows what it is. That is one advantage in considering it—we are all familiar with it; we know how it works; we understand its terminology. We do not have to try to understand some new plan, such as that embraced in the Pace bill, which, I am sure, is not generally understood among the Members of the House. For one thing, as far as the parity formula in that bill is concerned, I know that I am not confessing anything that is embarrassing when I say that most of the members of the Committee on Agriculture do not understand it. I wish the gentleman from Georgia [Mr. Pace] would use part of his time in an effort to explain to the House just how this new formula is arrived at, how it works, and what we can expect from it in the future.

Mr. Chairman, what I fear is that we are going to find ourselves at the end of this session in exactly the same position that we were at the end of the last session as far as farm legislation is concerned. There has been much criticism of the Aiken bill and the circumstances of its enactment and it is justified. However, no one in the House needs to make any apologies for that, for we were not responsible. We passed a bill, the same bill as you have before you in the Gore substitute, several weeks before adjournment. It went to the Senate, and then in the last week of the session, in the last days of that week, the Senate substituted the Aiken bill. I do not think it was properly considered in the Senate. There was no time to do it in the rush of adjournment, and, as far as the House

is concerned, we had no opportunity either in the committee or in the House to consider any of its difficult and intricate provisions. It was a question of making the best agreement, the best compromise, that we could with the Senate, because the Senate was adamant. The Senate conference committee, both Democrats and Republicans, stood fast. They said "It is the Aiken bill or nothing." That situation prevailed until the very closing hours of the session. We had numerous meetings, and finally the House conferees made the proposal that we would accept the provisions of the House bill for a 1-year extension, and that we would accept the Senate bill and postpone its going into effect for a year. It was distinctly understood by the conferees of both the House and the Senate, and it was explained on the floor when the House adopted the conference report, that the House conferees had agreed to the compromise because otherwise we would have had no price-support legislation except the Triple-A Act of 1938, which provided price supports for the basic commodities on a flexible basis, mind you, of from 52 to 75 percent of parity, with no support provisions as to other commodities, except such action as the Commodity Credit Corporation might decide to take under its general authority to support prices.

The Steagall amendment would have been gone, all the price-support provisions that were worked out during the war would have been gone. So I have no apology to make when I say that we did the best we could, we brought back the best bill we could get, a bill which has worked well this year, and which, I believe, will work well for another year if we decide to continue it.

Something has been said about the fact that we ought to be passing permanent legislation. On that point, let me call attention to the fact that the Pace bill in its present form is permanent legislation. It is not a trial run. Do not let anyone tell you that. It is permanent legislation. If we adopt it we adopt most of the principles of the Brannan plan. If that is what we want to do, all right. But if we adopt so much of the Brannan plan as is contained in the Pace plan, I am sure most of the Members of the House are going to do so without a full and complete understanding of it and its implications, and they will find themselves in the final analysis in just the same situation Members of Congress were in a year ago when the Aiken bill was adopted.

I am not going to try to differentiate between the Pace bill and the Brannan plan because while the Pace bill does not embody all the Brannan plan it does take in a large part of it. I see that one of the commentators say it takes in 75 percent, and another one says it is 60 percent. I am not going to try to figure it out to a mathematical percentage. But the principle of the Brannan plan is there, and it is the principle of the Brannan plan that I want to discuss. I want to discuss it as it is interpreted by those who have been sponsoring it and who proposed it in the first place, and by that

I mean the spokesmen for the great labor organizations of this country, because that is where it came from. It did not come from the farm.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. COX. As of yet I have heard no satisfactory explanation as to why the Farm Bureau and the Grange, two great, reputable farm organizations, were not consulted in the writing of this bill. I have a conviction that the adoption of the pending measure will give these two farm organizations a set-back from which they will never recover, because the Farmers Union, representing the Red element in agricultural circles, operating as a friend and a thing of the radicals, will be put in complete command as far as the farm problem of the country is concerned.

Mr. HOPE. I am afraid the gentleman is correct. I believe that if we accept the principle of the Brannan plan it means that we have turned the writing of farm legislation over to the heads of some of the great labor organizations of the country. I am glad the labor organizations of the country are interested in agriculture. Certainly I am not complaining about that. But I do not believe they should be permitted to write the legislation and/or that we should pass legislation here which has their approval but which does not have the approval of the great farm organizations of this country, with one exception, and that is an organization which has closely allied itself with organized labor on all political questions.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CHRISTOPHER. Was the American Farm Bureau Federation consulted in the writing of the Aiken farm bill, and did they give it their approval?

Mr. HOPE. I can only give the gentleman the best information I have on that question. If the gentleman will read the hearings on the Aiken bill he can get the position of the farm organizations. It is my understanding that the Farm Bureau supported the Aiken bill and that the Grange gave it a modified sort of support—they were in favor of part of its provisions and opposed to others. I understand the Farmers' Union gave it partial support and that the National Council for Cooperatives also supported it in part. But I am not attempting to speak for those organizations and am simply giving the gentleman the benefit of the best information I have on the subject.

Mr. CHRISTOPHER. What I wanted to know is whether they were consulted in the writing of the bill. Were they consulted before it was written? Did they help to sponsor the Aiken bill or did they just appear before the committee after the Aiken bill was written? I want to know if they had an opportunity in writing it, that is, to the gentleman's knowledge.

Mr. HOPE. Not to my knowledge. They may have been consulted. They

did appear before the committee. The fact is that the Aiken bill was largely written down in the Department of Agriculture, and the strongest statement that was made for it was by the then Secretary of Agriculture, Clinton P. Anderson. In this he was assisted by his aides in the Department, including the present Secretary of Agriculture, Mr. Brannan.

The Aiken bill was thoroughly and completely a nonpartisan bill. It was the product of the Department of Agriculture and the Committee on Agriculture of the Senate. Whatever its merits or demerits may be, those are the people who have to take this responsibility.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that the Democratic National Convention endorsed the principles of the Aiken plan?

Mr. HOPE. That is the way I interpret the resolution which was adopted; yes.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITE of California. I know the gentleman is very sincere in what he says. Does he not believe that the Secretary of Agriculture, who preceded Mr. Brannan, was told by the Republican Party, which was in power at that time, that he had to get rid of the high, rigid price supports, and that if he wanted to save any part of the program he had to compromise and that is the reason Mr. CLINTON ANDERSON supported the so-called flexible price-support plan?

Mr. HOPE. The only answer I can make to the gentleman's statement is that this is the first intimation I have ever heard of anything of that sort.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER of Nebraska. Some reference has been made to the different farm organizations endorsing or not endorsing the Brannan farm program. I want the record to show that in the State of Nebraska all three farm organizations have opposed the Brannan plan—the Farm Bureau, the Grange, and the Farmers' Union. I believe in some States the Farmers' Union have endorsed the Brannan plan.

But in the State of Nebraska the Farmers' Union is just as strongly opposed to any part of the Brannan plan as the other two farm organizations.

Mr. HOPE. I am very glad to have the information, and thank the gentleman.

Mr. Chairman, I want to get to the philosophy of the Brannan plan as expounded by those who are responsible for it and who appear to be its principal spokesmen. But before I do that, just in case there are some who think that the Pace bill is not the Brannan plan, I want to quote from an article in one of the great labor papers of the country which

is published by the Brotherhood of Locomotive Trainmen, until recently headed by the late Mr. Whitney. This article is taken from the July 11 issue of the Trainmen's magazine, and reads as follows. I quote:

Grass-root support for the Brannan farm plan has grown so fast that those who did not give the bill a chance for enactment this year are changing their tune. The House Committee on Agriculture approved a measure which would permit application of Brannan principles to three crops in the coming year, as a trial run.

The writer must have had some inside information, for he goes on to say:

Ground has also been cleared for a complete switch next year to a production payment instead of the present purchase-to-keep-the-price-up method.

There is more to the article, but I will not take the time to read it just now. But that is the word that is going out among those who have sponsored this legislation, and who are responsible for it. They say this is just the beginning, and if they can get the Pace-Brannan bill enacted this year, they expect to have the whole program next year.

Had I the time, I could quote from a number of papers which are published by labor organizations in which they interpret the Brannan plan. At this time I will limit myself to an article on the Brannan plan professing to expound it and explain it, which appeared in the Agricultural Supplement of the League Reporter, the publication of the American Federation of Labor League for Political Education. This article appeared in the issue of April 18. It is long and I cannot read all of it, but I quote from it as follows:

In presenting the new program to Congress, Secretary Brannan did the following:

1. To farmers generally he offered an over-all Government-guaranteed and Government-subsidized income at the attractive levels of wartime.

2. To consumers and labor he offered lower prices for meat, milk, fresh vegetables, eggs, butter, and other perishable farm products, that represent the major part of the consumer's cost-of-living items.

3. To southern cotton and tobacco growers he offered a Government-guaranteed and Government-subsidized program for cotton and tobacco that would give farmers who produce those commodities a better income than that provided by the so-called 90-percent-of-parity formula which they have been demanding.

4. To the midwestern Corn Belt he offered increased Government-subsidized and Government-guaranteed price support levels for meat animals (and most corn is marketed in the form of meat).

5. To producers of fresh vegetables and fruit he offered for the first time a real and permanent place in the Government-guaranteed, Government-subsidized price-support system.

I now skip down to two further paragraphs which will be all that I will have time to read.

Here is the new part of the program: The perishable commodities account for 75 percent of farm income—meat, milk, butterfat, butter, eggs, poultry, fruits and vegetables—and here the Truman-Brannan plan would allow prices to fall to a free market level. Then the Government would pay the difference in cash directly to the farmer. This would give the farmer a somewhat higher in-

come than he gets under the Government-subsidized and Government-guaranteed price-support program. The consumer, on the other hand, would get a break, because he could buy these perishable commodities at much lower prices than at present.

I call your particular attention to the next paragraph, because that has reference to the OPA and the British system of food subsidies:

The new program is a direct payment to the farmer and lower prices to the consumer is similar to the system used during the war under OPA and is similar to the British system which also uses direct payments of tax money to the farmers.

There you have the ultimate of the Brannan plan as seen by those who are its sponsors and defenders.

On that last point regarding the return of the OPA, I wish to call attention to the testimony of three labor representatives who appeared before the committee in favor of the Brannan program. We had a host of witnesses at these hearings but aside from Secretary Brannan and representatives of the farmers union there were only three who appeared in favor of the program. I want to read just what they said about this idea of a new OPA or price-control program.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not at the moment. The gentleman always asks enlightening questions and I am always glad to have his opinions and views, but I should like to proceed for a while before yielding in order to read what these witnesses said before the committee. I am reading now from the statement of Homer Ayres, who appeared before the committee representing the Farm Equipment Workers' Union. His statement reads as follows:

Past experience shows that when livestock prices rise sharply the price of meat in the butcher shop jumps up along with it, but when the livestock market falls, the packers and the retail butchers are very reluctant to pass livestock prices on to the consumers. We know that although wheat has dropped, the price of bread has not gone down any. Therefore, to prevent the food processors from pocketing what the consumers should get in the form of lower prices there should be some teeth put into the Brannan law in the form of price control.

The same view was expressed by Lyle Cooper, research director of the United Packinghouse Workers of America, CIO, where in the hearings, part 5, page 821, he states:

This whole question of margins calls attention to a potential danger that might easily undermine the otherwise well conceived program of Secretary Brannan which seeks to achieve income parity for the farmer and, at the same time, adequate supplies of food within the reach of the low-income consumer.

This is the problem, as I see it. Secretary Brannan's plan, in effect, assumes that lower livestock prices—irrespective of whether or not they fall below the support levels—will automatically be passed on in lower prices to the consumer. Our examination of the record on marketing margins for meat during the past few years raises a serious question about the validity of any such assumption.

Consequently, the case for the exercise of control by the Department of Agriculture

over marketing margins is much broader than that of the extremely important area of marketing the Nation's meat supply. I respectfully suggest that this committee thoroughly look into this whole problem of margins. For there exists here a probable weakness which could easily endanger—or even wreck—an otherwise admirable program.

And then a statement filed by Russ Nixon, Washington representative of the United Radio, Electrical and Machine Workers' Union of America, CIO, also discusses this question. Among other things, Mr. Nixon says the following:

This means there must be some way to regulate prices and profits of processing corporations and other middlemen, meat packers, dairy producers, manufacturers, flour millers, cotton ginners, chain stores, etc., so that lower costs and prices at the farm level are passed on in full to the consumers.

Mr. Chairman, that represents the view of those who are sponsoring this legislation. To me it clearly indicates that they do not think it will work, and I doubt myself if it will work from the standpoint of passing on to the consumer these lower farm prices which we are supposed to have under this program. If we adopt the Brannan plan, the next thing you are going to have confronting you will be a demand for price controls all the way down the line to make the program work. I do not think there is the least bit of doubt about it.

The philosophy of the Brannan plan, as it is expounded by those who speak for it, is a high income to the farmer and cheap prices to the consumer. That sounds, of course, like magic, but it is not. Somebody is going to have to pay the bill. No one knows how much it is going to be. A little bit later I want to give you an estimate, however, as to how much it will be, because in my mind, there is no question but what the cost of the plan will be ruinous and it constitutes a direct threat to the entire price-support program for agriculture.

We have seen what the program on potatoes, which has cost so much money, has done in the way of incurring a loss of public confidence of any price support program. But if we had a support price program on potatoes like the Brannan plan this last year (1948) it would have cost twice as much as the \$225,000,000 that it did cost. In making that statement, I am using figures furnished by the Secretary of Agriculture in a statement which he made for the International News Service recently. In this statement he stated that if the Brannan program had been in effect in 1948 the price of potatoes to the consumer would have gone down to \$1 per bushel. I think that is right. We had an enormous crop of 445,000,000 bushels, very largely induced by the high support price and the price would easily have gone down to \$1 a bushel to the consumer. He did not say what it would be to the producer, but when you count freight and all of the middleman's margins, I would say it would not be any more than 50 cents a bushel to the producer. But, let us say 75 cents to be conservative. Let us say then that the price to the producer would have been 75 cents. The support price was \$1.75 a bushel. That would have meant payments to producers at \$1 a

bushel for 445,000,000 bushels, and in addition there would have been the cost of administration. So that the cost could not have been less than \$450,000,000, which is exactly twice what it cost to support the prices under the program that was in effect. And yet that is the program which would be put into effect by the Pace-Brannan bill.

My distinguished friend, the gentleman from North Carolina, chairman of the committee, spoke about the cost of the egg program. I am not sure I can recall the figures, but I think he said it cost \$84,000,000. As I understand it, that is the cost for 3 years. That is what we have lost in the egg-support program. That is quite a lot of money even in these times. But I want to call your attention to how much more the Brannan payment program would have cost.

I want to read now from the hearings before the Committee on Agriculture in reference to this question and from the testimony of Leon Todd, secretary of the Northeast Poultry Council. He stated, in speaking of the Brannan program:

The cost of administering such a program would be tremendous. In 1948 there were produced in this Nation 3,936,750,000 dozen eggs. If a direct subsidy of 3 cents a dozen would have been paid to farmers in 1948, the total paid out would have been \$118,102,500. If the producers received a 5-cent per dozen subsidy it would have meant a lay-out of \$196,837,500.

Now, that is compared with a 3-year cost for the egg program under existing legislation of approximately \$84,000,000. So, do not let those who are arguing for the Brannan plan tell you that you can carry out that program for less money than you can carry out the old program. You cannot do that. Let me say this, that you can carry out either program more cheaply and economically if you have controls in effect, and if we are going to have any program of this kind why eventually, of course, we are going to have controls, the very tightest kind of controls, upon everything that the farmer produces. But, if you are going to have controls, you can operate just as well under the kind of a program provided for in the Gore bill as you can under the kind of a program in the Pace bill.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman from Kansas is an able and effective friend of agriculture. Does not the gentleman fear that the cost of this program ultimately will be so exasperating to the people of this country that there will be an attempt to overthrow the entire farm-support program? Does the gentleman have that in his mind?

Mr. HOPE. That is one of the very grave fears that I have.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman said there would be necessity for controls. If you had controls and reduced production, the consumer would not have any benefit of it at all.

Mr. HOPE. If the sponsors of the Brannan program, the labor political leaders, have their way, of course, there will be abundant production and very low prices in the market places. What I have read and what you have no doubt read and heard over the radio by the sponsors of this program all points to that. Of course, the alternative is, if we run out of money, and surely we will some time, would be the very tightest kind of controls over all the agriculture of this country.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. JAVITS. We, being city dwellers, are concerned with food prices and all that. I would like to have the gentleman answer this question: Does the gentleman feel that taking it over-all, storable, and perishable commodities, that the cheapest way for the city dweller is the flexible price support plan contained in the Hope-Aiken bill rather than these other two alternatives, the rigid 90-percent support, or the so-called Brannan plan? How does the gentleman feel on that point, taking these three alternatives?

Mr. HOPE. I will say this to the gentleman, there are features that are common to all three bills, so far as that is concerned. But it is true that the higher the price-support level, the higher the cost is going to be, that is, providing you do not exercise such controls as to limit production to a point where supply and demand would bring the price up. I would say as far as the consumer is concerned, that a program which embraces price controls at a moderate level, especially upon the nonstorable commodities, would afford the consumer the greatest possibility of an abundant supply at a reasonable price.

The bill includes potatoes. Because so much has been said about potatoes, let me call attention to how the 60 to 90 percent price support program on potatoes is working this year, and I quote from a statement by the National Potato Council, which is an organization representing the potato producers of this country. They are contrasting the program this year as far as cost is concerned with the program last year.

The National Potato Council reported today that the cost of the farm price support program for potatoes is running at only one-fifth of the cost of last year's program.

This sharp reduction in the cost of the program, the Council reported, has been brought about by a lowering of the support price from 90 to 60 percent of parity, and to a sharp decrease in acreage under the present farm program.

As of July 14, 1949, the Government's purchases under the support program totaled only 3,215,000 bushels at a cost of slightly more than \$4,000,000, as compared with purchases on the same date in 1948 of 10,700,000 bushels at an approximate cost of \$18,500,000.

While this is not the ultimate answer we do know that with a price support of 60 percent of parity this year and an estimated production of 55,000,000 bushels less than last year, the potato program cannot cost anything like it did then. Let me say that this program in effect this year under the same provisions con-

tained in the Gore substitute is eminently satisfactory to the potato producers. They have repeatedly so testified before the Committee on Agriculture this year.

We have been talking about supporting the price of eggs. Let me say that the egg producers and their representatives have been before the committee. They do not want the Brannan payment program.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. May I correct an impression that I think my good friend from Kansas is perhaps leaving with this House, to the effect that no farmer appeared before the committee in defense of the Brannan plan or urging its adoption in any way. If the gentleman will take the report of the subcommittee and turn to page 1104 he will find beginning on that page of the report a 4-page statement by me. I am a farmer, and when my work is done in this House, if you want to find me you will find me down south of Kansas City on the farm.

Mr. HOPE. I apologize. The gentleman is a farmer, and a good farmer. If he appeared for the Brannan plan, I will certainly have to take back the statement I made. Of course, I am amazed that as good a farmer and as intelligent a legislator as he, would appear in favor of the Brannan plan, and I am not going to try to explain that.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I take it the gentleman has already made it clear and that we all understand that the Gore amendment continues in full force and effect next year the plan under which the farmers of this country have had more prosperity and generally better prices for their products than ever before in the history of the country.

Mr. HOPE. That is absolutely true. I thank the gentleman for his statement.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. The Gore amendment does a little more than extend the present program. It suspends over the head of the farmers of this Nation the Aiken bill, does it not?

Mr. HOPE. It suspends the Aiken bill for 1 year.

Mr. COOLEY. Yes, that is right.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ABBITT. The gentleman has expressed his views to some extent on the Aiken bill and has expressed a preference for the Gore bill stating further that the farmers have gotten along well under the present program and are satisfied. Would the gentleman not think it advisable then to support an amendment to the Gore bill whereby the Aiken bill would be repealed, thus continuing the program that he has stated is so well suited to the farmers?

Mr. HOPE. I do not want to go into a discussion of that at this time because I

assume that such an amendment will be offered and I expect to speak on that amendment at that time. But I am agreeable so far as I am concerned to a 1-year postponement of the Aiken bill for the reason that that will give us another year in which to work out a substitute program for the Aiken bill. I will say that if we cannot do that in another year then I certainly would be in favor of a measure to repeal the Aiken bill.

Mr. ABBITT. The only fallacy I see there in suspending the Aiken bill is to hold a hammer over the House so that when the year 1949 has passed we will have to do something more than merely accept the Aiken bill, which none of us are in favor of, then the House will have to pass some legislation, and we will be plagued by the Aiken bill.

Mr. HOPE. All I am saying is predicated on the idea that we will pass legislation in this next session of Congress which I hope will be satisfactory. I am not saying that the Gore bill in its present form is exactly the bill that we want for a long-time program. I think we are learning through trial and error and experience. It may be a long time before we work out exactly the farm bill which the farmers of this country want and the economy of the country can stand. I certainly think we have not found the answer yet, but I think we have found an answer for the next year if we adopt the Gore bill.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SCRIVNER. The gentleman may be interested in knowing, which I am sure he does, that my district, which is the Second Congressional District of Kansas, is industrial and agricultural in character and that a widespread poll has indicated that among those living in the city and the farmers, almost 50 to 1 are against the Brannan plan.

Mr. HOPE. I am not surprised.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield to me once more, I want to say I have a pocketful of telegrams here from the Farm Bureau Federation membership from all over the State of Tennessee. I have not had a single farmer anywhere in Tennessee, from one end to the other, express himself in favor of this Brannan plan.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CASE of South Dakota. I merely wish to confirm the position of the gentleman from Kansas, as he has outlined it here with respect to the Hope-Aiken bill, and to state that it is thoroughly consistent with the position that he took at the time of the conference a year ago. At that time he stated he was in favor of the Aiken bill so that we might have a bill and have some assurance of some price support if the Steagall amendment were not continued or if we could not work things out by long-range legislation.

Certainly the situation in the year ahead will be comparable to the year behind, if we extend the present program. As far as I am personally concerned, I would be willing to vote to suspend the

Aiken portion of the bill indefinitely or repeal it, until we get substantial agreement on a long-range program.

But certainly I do not want to see the assurance which is offered in the Gore substitute that for this coming year, until we do have a clearer conception of a long-range answer, we will have the protection afforded by the present program.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DOYLE. I take it that because of the emphasis which the distinguished gentleman has placed upon the fact that periodicals of organized labor were supporting the Brannan plan, which I believe the gentleman designated as the sponsors and defenders thereof, that the one reason you are opposed to this Brannan plan is because these periodicals have made certain comments about it. Do I understand that the gentleman is inferring to me, as one who is seeking the facts, that the distinguished chairman of the Committee on Agriculture and the gentleman from Georgia [Mr. PACE], have collaborated at all with the leaders of organized labor in writing this committee bill?

Mr. HOPE. I am not expressing any opinion on that because I have no information on it.

Mr. DOYLE. I take it the gentleman would know that. I take it the gentleman would know whether or not that is a fact, and I would like to know if that is the inference that the gentleman is trying to get across to the House.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. PACE. I am a little astounded at the gentleman's reply, because the gentleman was in the subcommittee and knows the bill was written by the subcommittee and amended 20 times in the subcommittee, and nobody but the subcommittee wrote the bill and the gentleman himself had a good part of the job.

Mr. HOPE. The gentleman does not mean that Members were not handed a draft of the bill when the subcommittee met?

Mr. PACE. I certainly do. I certainly do. I thought the gentleman was well informed that counsel for the committee and I drew the initial draft, and it was amended in the committee at least 15 times before it was reported out by the committee.

Mr. HOPE. There is no question about that.

Mr. PACE. But I do not like the idea—the gentleman knows me and has been in Congress with me for 13 years, and he knows I have not sat down and collaborated with anybody except the members of my committee on this bill.

Mr. HOPE. I said I had no knowledge at all that you had collaborated.

Mr. PACE. I know the gentleman said that, but it was the way in which it was said.

Mr. HOPE. If the gentleman feels hurt because of the way I made that statement, I wish to say to him now that I apologize to him, because I did not want to leave any impression that the gentleman had collaborated with anyone.

However, I do not think it is any crime to collaborate with the leaders of organized labor.

Mr. PACE. I do not either. I did not want to leave that impression, but neither organized labor nor the Secretary of Agriculture, nor anybody else except the subcommittee wrote this bill, to which the gentleman gave his very able assistance.

Mr. HOPE. That certainly answers the question and I yielded to the gentleman so that he could answer the question.

Mr. COOLEY. Mr. Chairman, will the gentleman yield to me?

Mr. HOPE. Yes, I yield.

Mr. COOLEY. I understand the gentleman to propound an inquiry seeking to ascertain whether or not the farm leaders of the country had participated or had been heard in connection with the preparation of this legislation. I want to ask the gentleman if it is not a fact that during these hearings the president of the Farm Bureau, the master of the Grange, and every other single farm organization in America was heard or given an opportunity to be heard.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has again expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Very extensive hearings were held on general agricultural legislation; on the Aiken bill and on the Brannan proposal. Then the committee went into executive session, and this bill is the result of the executive session. There has been no hearing had at which the farm organizations or others were heard on the Pace bill.

Mr. PACE. The reason for it is this—

Mr. HOPE. I am not complaining about it.

Mr. COOLEY. We started these hearings on farm legislation in January, and we continued them until the time this bill was introduced. This bill was introduced after it had been considered by a subcommittee and after a report had been made to the full committee. The gentleman from Georgia [Mr. PACE], at the request of the committee, introduced this bill. In making its determination, the subcommittee had the full advantage of the testimony of all farm leaders who desired to be heard. We know that the Grange is against it. We know that the Farm Bureau is against it.

Mr. HOPE. I do not think there is any dispute about that. The hearings speak for themselves. If I have given any impression to the contrary, I want it distinctly understood that there were hearings on the whole field of farm legislation, but let me say this, in view of what the gentleman from Georgia [Mr. PACE] has said, I do not want to be left in any false light. There was handed to me and other members of the subcommittee, at the time we came into executive session, a bill in typewritten form, which I assumed was prepared by the gentleman from Georgia. I had no reason to think that it was prepared by anyone else. However, I was not present at

the time it was prepared. But I assumed then that it was prepared by the gentleman from Georgia, and he assures us now that it was, and that settles the question as far as I am concerned.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MURRAY of Wisconsin. I think the RECORD will show tomorrow that the gentleman from Kansas did not make the statement that anyone else wrote the Pace bill except the distinguished gentleman from Georgia. What the gentleman was talking about was the Brannan plan. I think the RECORD tomorrow will substantiate that statement.

Mr. HOPE. Of course that is exactly true. May I have the attention of the gentleman from California [Mr. DOYLE]: What I have said here, as far as the sponsorship of legislation is concerned, is sponsorship of the Brannan plan.

Mr. DOYLE. May I say to the gentleman from Kansas that as I recall his statement it was that he either read or stated of his own knowledge that this Pace bill contained 75 to 80 percent of the Brannan plan. Now, definitely, I got the impression from the gentleman's remarks that one of the main reasons he was opposing the Pace bill was because it did contain 75 to 80 percent of the Brannan plan, and because organized labor had made certain comments about the Brannan plan; and I merely wanted to know whether or not my inference was what the gentleman intended to get across; because I certainly have no doubt that my colleague the gentleman from Georgia [Mr. PACE] or the distinguished chairman of the Committee on Agriculture would to any extent cooperate with organized labor in writing the bill. They tell us on the floor of the House they did not.

Mr. HOPE. There certainly is no difference of opinion here about that question. The gentleman from Georgia has prepared a bill; the committee has prepared a bill which contains some features of the Brannan plan. I did not say that it was 75 or 80 percent; I said it had considerable of the Brannan plan. Whether it is 75 or some other percentage, it is essentially the Brannan plan. The only reason I brought in the labor organizations and quoted from labor papers was that I regard them as the sponsors of the legislation. I think what they say about it is very important in helping us interpret what it means and what the program is and what the ultimate end of it will be. I could not quote from any of the farm organizations like the Farm Bureau, or the Grange, for they are opposed to the bill. I went to those who sponsored it and I quoted from them as to their understanding as to what the legislation meant.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. PACE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, inasmuch as many Members are asking me to yield, I will take five additional minutes.

The CHAIRMAN. The Chair points out to the gentleman that he has already consumed 59 minutes. Without objection, the gentleman may proceed for five additional minutes.

There was no objection.

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. I simply want to say to the gentleman that I wrote the bill myself.

Mr. HOPE. I could not believe otherwise, I may say to my distinguished friend from Georgia for whom I have the greatest respect and admiration and with whom I have worked on the Committee on Agriculture for so many years.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I do not think anybody will dispute the fact that after all these many months of hearings there was a unanimous agreement amongst both Republicans and Democrats on the Committee to adopt the principles of the Gore bill and to suspend the Aiken Act.

Mr. HOPE. That was my understanding.

I desire to conclude now simply by saying that the Committee on Agriculture held hearings all over this country during the past 2 years. We went into New England, we went into the South, we went into the Middle West, we went into the far West. We heard hundreds of farmers. We did not go out looking for farm leaders, we went to the farmers themselves. We traveled by bus and we stopped at individual farms; we talked to farmers along the roadside, and I think we got a pretty good idea of what the farmers of this country want in the way of farm legislation. We found there were two things they emphasized repeatedly: One was soil conservation, in which they were immensely interested. The other thing was that they wanted a continuation of the price-support program. We gained that opinion from interviewing hundreds and hundreds of farmers all over the country, and as a result last year we reenacted the program that had been in effect during the war. That is still the kind of program farmers want, and that is the reason I think this House should adopt the Gore substitute and send it on its way to the Senate so that it can be enacted into law before this Congress adjourns.

Mr. ALBERT. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, I want it to be definitely clear to this body that the statement I made when the gentleman from Illinois [Mr. SABATH], of the Rules Committee, yielded to me, was a statement that was straight about the issue presented to the House. In no way do I want the Members to think that I favor extension of the present program. I favor repeal of the Aiken law and I favor the Pace plan. I made that statement in debate on the rule for one purpose. Everyone here, with the exception of the two Republicans who stood up in favor of the Aiken bill, feels that the Aiken bill is unsatisfactory. Even the gentleman from Kansas has repeatedly

stated in the Committee on Agriculture that he is against the Aiken bill. Every member of the Committee on Agriculture, on both the Republican side and Democratic side, with the exception of one member, has said that the Aiken bill is no good. I want it to be clearly known that the reason I put that proposition up is because I want the House to decide in an orderly manner what the farmer will get, whether it will be the program existing today, with repeal of the Aiken bill, or whether it shall be the Pace bill.

I hope the gentleman from Tennessee, my distinguished colleague for whom I have the greatest respect and admiration, will accept my substitute and not even offer his, because last year he voted against the Aiken bill as did every other Tennessee Democrat in the Eightieth Congress. We have studied this Aiken bill line by line, word by word, section by section, ever since January. We had the Solicitor of the Department of Agriculture explain it to us and interpret it for us, and we have come to the conclusion that it will, if permitted to go into operation, mean slow starvation for the farmer.

Personally, I am interested in the farmer and I do not want him to starve to death by hanging this club over his head because next year we might get into difficulties and the Aiken bill might go into effect if we kill off this Pace bill or if we adopt the Gore bill.

Let us see what the Pace bill does, and I would like to direct these words to Members representing agricultural districts not only in the South but in the West. How can you as a Member of Congress representing an agricultural section go back to your people and say to them: "Well, I had a chance to get you \$1.46 a bushel for your corn but instead I voted for \$1.41."

Under the Pace bill corn will be supported at \$1.46; under the Gore bill corn will be supported at \$1.41.

How can you go back to your district and tell those farmers: "Well, I had a chance to guarantee you 49.6 cents a pound for your tobacco under the Pace bill, but instead I voted for 41.1 cents per pound for your tobacco. I cut you 8.5 cents a pound on your tobacco."

How could I go back to my tobacco section and tell that to my farmer friends? How could I go back home and tell my friends who raise hogs: "I had a chance to get you \$19 a hundred for your hogs under the Pace bill, but, no, I did not want you to have that much money, so I voted for the Gore bill under which you will get \$16 a hundred. I cut you \$3 a hundred."

How can I go back to my cotton farmers in the State of Tennessee and say to them, "Well, I had a chance to guarantee you \$67.50 a ton for your cottonseed under the Pace bill, but I did not vote for it; I voted for the Gore substitute, where you get no protection whatsoever."

How can I go back into the State of Tennessee and tell those farmers, "I had a chance to guarantee you \$16.80 a hundred for your beef cattle, but I did not do that. I did not give to you, \$16.80; no, that is too much money for you. I voted for the Gore substitute where you get no support whatsoever."

How can I go back into the State of Tennessee and say to my good farmer friends who are not corporation farmers, they are individual farmers, dirt farmers, the best farmers in the country, and tell those great tried and true farmer friends of the Volunteer State of Tennessee, "I had a chance of getting \$18.40 support price for your lambs, but I did not want to do that; it is too much money for you. I voted for the Gore substitute and you get no support whatsoever."

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Is it not true that beef does not have support prices?

Mr. SUTTON. Beef does not have support prices at present, but under the Pace bill you will get \$16.80 guaranteed. My friends, that is true, or maybe the figure is \$16.96.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Under the committee bill, cotton would be at about its present level of 27 or 28 cents and under the Aiken bill, if it ever goes into effect, it will come down to 19 cents.

Mr. SUTTON. Right. And how can I tell my farmers, "I just wanted you to get 19 cents for your cotton?"

My friends, this is it. There are only 6,000,000 farmers in the United States of America, with 140,000,000 people. The farmer is the backbone of the universe. He is the spinal column of the United States. You cut the price to the farmer and you throw him into bankruptcy. How can the great State of Tennessee exist? Not only that, the great city of New York, the great city of Chicago, the great city of Detroit, and all the other great cities of America—how can they exist with the farmer going bankrupt? The gentlemen to my left want to bring in politics. They brought it into this bill. One of the gentlemen on the Republican side, a member of the subcommittee, voted for this bill to come out of the subcommittee.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I do not want to make a stump speech on this proposition, but I do want to do a little reasoning with you and bring out some facts and figures.

In the first place, as the distinguished gentleman from Tennessee [Mr. GORE] said the other day, when speaking before the Democratic caucus, "I do not want to do this in a bragging way, but I do want to give you some information about myself so as to qualify in order that you will have some idea that I should know what I am talking about."

I have spent my life in the handling of commodities, mostly in the buying and exporting of cotton. In addition, I have also farmed cotton and grain and

some other commodities to quite an extensive degree. Further, I am at the present time processing and storing about one-sixth of the California cotton crop, and California ranks fifth in the production of cotton in the Nation this year and will probably be second or third next year. In addition, I spent 6 years in the textile business. Further, I am a former member of the New York Cotton Exchange and the Chicago Board of Trade. So whether I do or not, I at least should know something about prices and the effect of legislation on farm prices.

A great many of the Members of Congress, I have found, particularly from the large cities, are not too clear on why we should have price supports on farm products at all. Inasmuch as price supports have come into such bad repute through the potato program and the egg program, it may be in order at this time to defend support prices in general in order to see if I cannot get a little sympathy for some of these ideas that have been injected into the price support program which are new to the program, and I refer specifically to the production-payment plan as advocated by the Secretary of Agriculture.

In order to get the idea before you, of why price supports are necessary, let us go back a moment to the time when this Nation was first founded. At that time 95 percent of our people were engaged in agriculture, and almost every family was an individual, self-sufficient unit that grew all of its own food, spun its own clothes off the backs of its own sheep, and cut down trees to build its own house. So it was truly a self-sufficient, independent economic unit.

But what has happened over the approximately 170 years of the history of our Nation? We have had through the invention and adaptation of labor-saving machinery in agriculture a gradual transition from a nation of self-sufficient independent farmers to a nation of specialists in agriculture because of these machines. Today instead of 95 percent of our people being in agriculture we have only about 19 percent, and every farm family, instead of raising all its own food, produces only one or two commodities, because they have to have a lot of machinery to do it, and therefore they buy most of their food and clothing in town.

So you can see that we have been transformed into a nation of interdependent family units instead of the old self-regulating economy that we had in the so-called good old days.

The point is this: In the so-called good old days the farmer, in order to know how much crop to plant, how much acreage to pitch, just counted the mouths around his table, and he had to plant only enough to feed them. But today the farmer does not know how much to plant, for two reasons. First, he does not know what the demand is going to be, and, second, he does not know what acreage his neighbor is going to plant. So even though you call it socialistic, whatever you want to call it, we cannot help it, we are in this fix through no fault of any of us.

I do not like regulation. I am a farmer. But I prefer regulation to bankruptcy.

That is what you get when you do not regulate. Many of the gentlemen on my left here have fought this program for years, ever since Franklin D. Roosevelt first introduced it. They call it regimentation. That is an ugly-sounding word which does not fit. Just as the distinguished gentleman from Missouri said a while ago, it should be called cooperation. We all know that the farmers themselves cannot get together on a voluntary deal and that we have to work through the Government. That is the only answer. We have a similar situation in the field of traffic. Let us go back a hundred years or so when our predecessors trod the ground where they chose around this Capitol in the good old days. But today we have the traffic lights with red and green lights which tell us when we can cross the streets. Those things are for our own good. Why has that regulation been brought about? It has been brought about through the advance of science and machinery, through the introduction of the automobile, a labor-saving machine, if you will. The comparison is identical with what has happened in the agricultural field. So I say, gentlemen, it is not socialism that we want; it is regulation that we have to take, or we will get communism as a result. We all know that just as surely as we get a serious decline in prices, then that is a depression. When you get a depression, that is when the Communists or the Fascists or any other group takes over. There is where the danger lies in knocking out farm price supports.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. FULTON. The question comes up then on the basis of the gentleman's argument that if one element of the economy is depressed, we then should give relief of a certain kind, even if it introduces a certain type of socialism although we try not to brand it as socialism. Does your argument extend to that point, that if we have any element of the country which is depressed, such as the railroad freight car business, or any other type of business that can be pointed out, and if it has been depressed over a period of time consistently, then we should have the same kind of program as we have for agriculture?

Mr. WHITE of California. Not necessarily. My theory is that if we regulate the production of the basic necessities of life and stop there, that protects the backbone of the country. I think it is generally accepted that the national income is seven times the farm income. That is where the circulation of the dollar starts from the farmer. If agriculture is prosperous and we have a minimum wage with the proper wages and hours regulations, then there is going to be purchasing power in the hands of labor, and the economic cycle is going to continue to turn. But when you have a fall in the general price level as we did in 1932, as shown in this chart, the warehouses are bulging with food and nobody can buy it. The city people say "We should have lower prices so that our people too can enjoy some prosperity."

That is a snare and a delusion. The

city people do not necessarily get more food by lower prices. They are put out of jobs and they are not able to buy any food. That is the situation which prevailed in 1932. The most essential thing in the life of any democracy is a stable price level. I submit to you that you cannot have a stable price level in the agricultural field unless you make some attempt to regulate the supply in relation to the demand.

Do not tell me that the weather will throw you out of balance. I have had one of the bureaus over here work up some statistics on it, and we have the figures on exactly how much the weather has to do with it. It is 11 percent on the average over the past 25 years. Furthermore, that can be corrected during the following season. That has been one of the arguments which has been made for a long time against any regulation whatsoever.

This chart, which I have here, shows what happened to us immediately after the First World War. We had no price controls of any kind following the First World War.

In May 1920 we had a break of 40 percent in agricultural prices. What did it do? It not only bankrupted the entire agricultural part of our economy but it also dragged down all the rest of the business. The only thing that saved us temporarily was the lending of money to Europe, the same thing as we are doing at this time. When we began to loan money to Europe in the early twenties, then we started to have this little increase in farm prices represented by the line on this chart. That held on until the money ran out abroad in about 1930. When that temporary relief subsided, you see what happened, with no regulation. Our prices went on down until 1932, when everybody was broke, the banks and everybody else. Who got the first relief? The banks, the insurance companies, and the railroad companies, backed up by the RFC. They got the relief first, and then the little people got it later on. It finally got around to the farmers. If you will look at the lines on that chart, you will see that ever since this regulation and farm price support business was started in 1932 the farmers and the rest of the country have prospered continuously. Of course, we had a war in the meantime that boosted prices up too high, and it has made a terrific problem, which the Marshall plan, thank God, has helped to solve. If we had not had the Marshall plan, we undoubtedly would have had a collapse, just as we did in May 1920. It would have bankrupted the whole country. But the Marshall plan is going to run out. People are getting sick and tired of paying out this money to Europe when they can see what might happen in our own country.

So I say to you, if you do not want a collapse such as we had in 1920 and 1932, you had better stick to these farm-price supports. If you do not, you will get a depression in which communism will take over in this country; not communism from Russia, but it will be right here in this country. That is what I am afraid of.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. CRAWFORD. The gentleman used the term "price control." Do you mean price control or price support, or do you term price support as price control?

Mr. WHITE of California. Well, they are one and the same thing, except maximum price controls, like we had under OPA.

Mr. CRAWFORD. I do not think our present farm program is price control. I think it is a floor under the prices of farm products.

Mr. WHITE of California. I think everybody knows what I meant. I meant price supports. I thank the gentleman, and I do not yield any further.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ALBERT. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. WHITE of California. I want to make plain that there are two issues on this bill now before us. First, shall we take the fixed price supports of the Pace bill, as compared to the so-called flexible supports in the Aiken bill? Let us get rid of the Aiken bill completely. The Republicans keeping the Aiken bill and saying they do not want it but merely postpone it makes me think about the fellow who was courting two girls. He could not explain to his steady girl why he wanted the other one around. She said, "If you do not love her what do you want her hanging around for?" So I say that about the Aiken bill to the Republicans. Why do they want it hanging around? - Let us repeal it; not extend it.

As far as the production-payment idea is concerned, I do not think I am out of order in revealing this. It is going to be put on a trial basis for 2 years, and limited to three commodities which will be named. Certainly there can be no harm in trying that out. I say it amounts to this: That we are not throwing out the old at all. We are keeping the old provisions on the perishable commodities, but this production-payment idea on these three crops is like giving a violinist another string for his bow. The Secretary does not have to use it unless he wants to. He has to find it is the most practicable and the best method to use. In case there is no place to store these perishables, this is the only plan he has to fall back on. So I say to give him that authority; it can certainly do no harm, and it is only 3 commodities as against 300. Some Members were talking a while ago about what percentage of the Brannan plan is in this Pace bill. It is 1 percent; that is all it is, 3 commodities against 300. There is your percentage of the Brannan plan in the Pace bill right there. The important thing is to distinguish between this so-called flexible price support and a fixed price support. A flexible price support is no good; it is like offering a one-legged man a rubber crutch and saying, "Here, walk on this"; he would fall down, of course. A flexible price-support plan is an uncertain thing and would produce a collapse in farm prices and a depression. We should give the Secretary of Agricul-

ture a chance to implement his program by passing the provision dealing with the trial run on production payments. So the thing to do, my friends, is to vote for the Pace bill and against the Gore amendment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ALBERT. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. HOEVEN. Mr. Chairman—

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at the close of general debate on the bill today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I, too, regret that politics have been injected into this debate. I am very happy in my assignment on the Committee on Agriculture and deem it a rare privilege also to be a member of the Pace subcommittee. We have had the finest kind of understanding deliberating on the various phases of a long-range farm program during the months since the convening of the Eighty-first Congress, and I want to say that from the very beginning there was no politics injected into our discussion of the long-range program until the Brannan meeting at Des Moines, Iowa, early last June. At that meeting instead of having our farmers discuss their own welfare we found the leaders of the Democratic administration holding a political meeting in our leading agricultural State. Among those present were the Vice President of the United States, the chairman of the Democratic National Committee, the Secretary of Agriculture, and a delegation of Members of Congress from the majority side, not members of the Committee on Agriculture. This group of politicians told the farmers what they were going to get. They were not asked what they would like to have.

There is no clamor for this legislation. I have just returned from Iowa. If there is any place in the world where you will still find the independent farmer it is at the crossroads and at the grass roots, of the Midwest. They do not know who thought up the Brannan proposal. Some say that it is the creature of the Farm Union and the CIO; but, regardless of that, the fact remains that it was not written by the farmers of America, nor were they consulted.

Reference was made a few minutes ago to the extensive hearings held by the Committee on Agriculture throughout the length and breadth of the United States during the past 2 years. We held 12 regional meetings, and in every single one of them, without exception, the interested people, a majority of the farmers, the men most affected, said they were satisfied with the present law and wanted it continued.

That is exactly the position taken by the minority members of the Pace subcommittee. I do not think I am divulging any committee secrets when I say that before the Brannan meeting at Des Moines, there was unanimous agreement in the subcommittee that we would not consider the so-called Brannan bill, but that in lieu thereof, we would extend the 90-percent parity program for 1 year, and suspend the Aiken bill for 1 year. That was also the position taken by the minority members of the full Committee on Agriculture at the time the Pace bill was reported out.

Mr. Chairman, at this time I want to pay tribute to the distinguished gentleman from Tennessee [Mr. GORE]. I want to compliment him on the courageous position he has taken in presenting his substitute bill. He had something to say about the Pace bill and the Brannan plan. I would like to quote his words:

The farmers are not for the Brannan plan. I think it is fuzzy, befuddled politics to think that we, the Democrats, can make political hay by force, feeding the farmer something he does not want.

Remember these words were spoken by a Democrat, generally considered an administration stalwart.

Mr. Chairman, the Pace bill simply gets the camel's nose under the tent. To show you how desperate they are to get the camel's nose under the tent, the Washington Post of yesterday stated that the chairman of the Committee on Agriculture would propose a revised version authorizing a trial run on potatoes, eggs, and shorn wool. That compromise is being offered in an effort to head off a threatened defeat of the Pace bill. In their desperation they might even settle for a trial run on onions.

The American farmer is a notorious skeptic. Any proposition to raise his income and still keep down consumer prices is bound to strike him as having a flaw in it somewhere. The average farmer is still independent. He thinks for himself. He does not forget that he is also a taxpayer. Although the program whereby he is assured of a guaranteed income, and the consumer can have low-priced goods is rather appealing, both must realize that in the last analysis both the farmer and the consumer, as taxpayers, will have to pay the bill.

What about the cost of this program? The Secretary of Agriculture cannot even venture a guess as to what the program will eventually cost. It has been variously estimated to cost from 3 to 10 billion dollars a year. Up to this very moment the Budget Director has refused or has failed to submit a budget estimate as to the cost of the Brannan program.

There has been talk of having a trial run on hogs. I notice, however, that the other body has pigeonholed that proposal. Let us see how a trial run on hogs would actually work. A man sells a load of hogs on the market. Does he get paid immediately when he sells those hogs? Not on your life. First it will have to be determined that the farmer actually sold his hogs. No doubt he will have to make out an affidavit that he sold a load of hogs on a certain day.

Then it will have to be determined that some one purchased the hogs and some one else will have to determine what the market price was on the day the hogs were sold. Eventually the papers will get to Washington. Well, knowing the way red tape works in Washington, the farmer may possibly receive the check for his hogs some 3 months or 6 months after the hogs were sold. I wonder how he will like that? Today, under our free-enterprise system, the farmer can still take his load of hogs to market, get his check, and take it to his home bank and put it on deposit. The farmer is thinking about those things. If prices are once driven down on hogs, or other commodities, I ask you very frankly how will those prices ever rise again? I asked the Secretary of Agriculture about that and he was not able to give a satisfactory answer.

The worst objection to the proposed Brannan plan is that in order to get his guaranteed income it will make the farmer subject to the whim of each succeeding Congress as to whether or not the necessary appropriations will be forthcoming. This would keep him in the anxious seat from one session of Congress to the next.

It is my impression that the American farmer would rather continue with a program he has worked with and understands rather than to embark on an experimental program with all its uncertainties.

I fear that the vast expenditure of money which the Brannan plan would entail will ultimately jeopardize the entire farm price support program. The constant drain on the Federal Treasury may reach the point where the taxpayers of the country can no longer stand the burden. When that happens, the entire farm price support program will fall. That would be a tragedy which we still can prevent.

Let us keep the farm problem out of politics and approach the entire matter in a sane and sensible way.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I hope that I have the power to express just what I think about this measure. I want to try to convince this House, if there are any skeptics here, that a healthy agriculture is the key to the prosperity of the whole Nation. I want to speak from experience.

Like many other Members of this House, I lived through the first depression and was engaged in the farming business. No regimentation had been accomplished in 1932 and 1933. There were no restricting laws on the statute books to interfere with free enterprise and free enterprise did do as it pleased. But at the end of that period of 1933 we woke up one morning and found the entire business system of this country suspended. What we had known before as

our way of life had come to an end, and we were met with foreclosures on every hand, so many of them, that as high as 70 percent of the farms in many counties in my State were foreclosed upon. You talk about a farmer wanting independence and liberty. Is it independence, is it liberty, when the sheriff chases the farmer off his land into the highways of the country?

There were at one time 16,000,000 people tramping the streets of this country looking for a job. I never had a chance to have any money here in Washington when I was a member in those days, because women with children, leading them by the hands, would come to the office begging for something to eat, and unless you were made of stone you would give them something to eat. That was the condition all over the country.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Utah.

Mr. GRANGER. We still had all our liberties, though.

Mr. BURDICK. Oh yes, we had the full liberty to starve; we had the full liberty to be dispossessed of our lands; we had the full liberty to stand and wonder what would come next; we had full liberty to wonder what had become of our free-enterprise system; we wondered if it were not possible to change "our way of life."

The prosperity of the farm is the index to our national prosperity. On this question we do not have to guess, because most of us in this House lived through the depression from 1920 to 1934. During that period it got so bad in 1932 and 1933 that wheat in North Dakota was selling for 26 cents per bushel, oats for 6 cents, and corn had no market at all. Foreclosures were rampant and dispossessions of farm people were commonplace.

The farmers became bankrupt and all business in the United States followed in turn. Buying power disappeared and the stocks of manufactured goods piled up but there were no buyers. With the exception of a dozen banks in North Dakota all went to the wall. Manufacturing plants in the East had to close because they could not sell their products. Labor was forced out of work and at one time 15,000,000 people walked the streets of this country looking for jobs. The financial situation became so utterly ruined by 1933 that a depositor in a bank could not draw out his own money. The Reconstruction Finance Corporation was set up for the purpose of stopping the downward plunge. Money was loaned to banks, railroads and insurance companies on the theory that money put into the top of the nation's business would drip down on the people and assist them. It did not drip, and the hordes of roving unemployed people roamed the streets and countryside.

The administration changed, and our policy changed. The banks were not permitted to open until properly checked, and when they did open, they opened under a new law of the guarantee of bank deposits. That stopped the hysteria about runs on banks, for it is a fact that

any bank can be closed by a continuous and senseless run on the part of the depositors. The Securities Exchange Commission was set up, protecting the people against the sale of worthless bonds and spurious securities. The roving jobless were put to work that was planned by the Government and the people ate again. Much complaint has been registered since against the inefficiency of this Government work, but it had to be done as private business had testified that they could not put these 15,000,000 to work in private industry.

The farmers in the Dust Bowl were loaned money for feed and seed and were given work on projects planned by the Government. Others were given outright grants, but the farm people ate again. More liberal interest rates were offered the farmers—and longer terms of payment. Added to this the weather changed and these sand-drifted farms came back to produce food for the Nation; food for Europe and flood the Treasury Department with farm income taxes. This happened because the farmers were getting somewhere near the cost of production for their products. Manufacturers started up again, labor was employed and the whole cycle of business in the United States turned to activity.

The means by which this dramatic change in affairs was made had many objectors; those whom the new plan helped the most were in turn the most bitter against the system. It was "regimentation," it was socialism, it was communism (as this new term had come into our language more recently). It was "changing our way of life." It surely was. The last charge was correct. Our way of life had been to see the farmer driven off his farm; to see the millions idle in the country because there was no work; our way of life had been to see every bank close in the United States; our way of life had been to permit billions of worthless bonds to be sold in the country annually. It was our way of life to see farm products selling for less than the cost of harvesting them.

Remember that this situation developed before any New Deal was ever heard of; there was no legislation on the books to prevent business from going ahead in its own free way to carry on the business of the country but nevertheless, with this wholly free enterprise system working with no restrictive laws, the whole business of the country collapsed. Was not it time to change our way of life? Is there anything so precious about our way of life that we dare not change it in the face of disaster?

There is no politics in trying to keep this country right side up. All parties should know by this time that a depleted agriculture means a national depression and devastating losses that follow in its wake. It is just as much our patriotic duty to keep this country prosperous as it is our duty to fight in any way we can when this country is at war—no matter if war came over our protest.

Will history never make a dent on the minds of the Republican Party? Will they always shut their eyes to what can

be plainly seen around them? The party was defeated last time because of two factors and two only. First the Eightieth Congress started tinkering with price support and came out with a sliding-scale program. This scared millions of farmers right away from the Republican Party, for the farmers believed that under this sliding-scale program they would slide right back to where they were in 1933. The next error was to drastically change the labor laws and make men work by injunction. The labor people thought they would lose all the gains made in the past half century and were as a body alert and fighting the Republican Party. Our candidate was all right, but no Republican candidate could have overcome the errors committed by the party here in Congress. No party can now win an election in the United States that has the full opposition of the farm and labor people.

This bill is an insurance against a depression, which every businessman should buy and be willing to pay for. The plan proposes to keep the Government out of the grain business. The products will be sold on the open market, but at the end of the marketing year, if there is a loss to the farmers on their parity price, the difference will be made up by the Government. That means the general taxpayer will have to contribute, if there is a loss. What does the taxpayer say? He howls and wants to know why he must support a bunch of farmers? Well, the taxpayer can take his choice. He can let the farm belt drop back into a period of ruinous prices, close the plants of America, put labor on the street, and suffer his own destruction. If this taxpayer is wise enough, he will support this program and preserve the stability of the entire business system in the United States. Does anyone in America—farmer, labor, businessman, or anyone else—want a return to the days of 1933? This is an important bill—important to every man, woman, and child in the United States if we wish to retain a fair measure of prosperity. Every voter should be willing to favor this insurance against a depression, for through it he can save himself.

I am glad to support this measure, even though the leadership of my party is against it. They are not always right—I sometimes am. I do not want anyone to lose the earnings of a lifetime in a depression, as I did in the last one. When war clouds threaten and this country has to be strong, every voter should favor it because here we have a chance to demonstrate to the world that democracy still works in the United States.

I would be in favor of the Gore bill if it would repeal the Aiken amendment, but I do not want any situation like Edgar Allan Poe's Pit and the Pendulum, so as to have this law swinging over the heads of the farmers to stop for 1 year and then let it continue again. Let us repeal it altogether. If that is all that this Congress can do, namely, repeal that law and leave us under the operation of the old law as it was before you tinkered with it in the last Congress, you will go a long way in again establishing confi-

dence in the membership and leadership of the Republican Party in the West.

I do not think there is anything wrong in trying out a few products under the Pace program. It is not going to cost this country anywhere near the amount of money you say it will. And if this Pace proposition comes before the House for a vote I will support it for the reason that the President of the United States went before all the farm people in the country in the last election and promised them a change from the Aiken law. This is the bill the President is behind. He won. And the people look to this Congress to carry out the program of the President. I am not going to be pointed out in North Dakota as a Republican who did everything in his power to stymie the work of the President in his program to help the farmers of this country. That election was a referendum and the people by their votes clearly indicated their approval of the President's program. I say this is the most important question that will ever come before this House. If you want to avoid a depression you must contrive some means to sustain those farm prices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS of Arkansas. Mr. Chairman, this is one of the most crucial debates that the Congress has engaged in during this session and I think a quorum ought to be present.

Therefore, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Anderson, Calif.	Green	Rich
Arends	Hall,	Richards
Barrett, Pa.	Edwin Arthur	Rivers
Bishop	Hall,	Sasscer
Bonner	Leonard W.	Scott,
Brehm	Hays, Ohio	Hugh D., Jr.
Buckley, N. Y.	Heffernan	Shafer
Bulwinkle	Herlong	Sikes
Burke	Hoffman, Ill.	Smathers
Cannon	Johnson	Stanley
Celler	Kennedy	Stockman
Chatham	Lodge	Taber
Clevenger	McDonough	Thomas, N. J.
Coudert	McGrath	Thomas, Tex.
Davenport	McGregor	Thornberry
Davies, N. Y.	McGuire	Towe
Dawson	Macy	Velde
D'Ewart	Morrison	Vorys
Dingell	Murphy	Vorsell
Dollinger	Noland	Walsh
Dolliver	O'Brien, Mich.	Whitaker
Eaton	Pfeifer	Wigglesworth
Ellsworth	Joseph L.	Wilson, Ind.
Engel, Mich.	Poulson	Withrow
Fellows	Powell	
Gilmer	Rabaut	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5345, and finding itself without a quorum, he had directed the roll to be called, when 359 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. COOLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I am sure we will all agree that we should have a full understanding of the pending measure before we undertake to vote. Therefore, I would be most grateful if you would be patient with me for a few minutes and give me your close attention. There is a rather important issue involved here.

Some statements have been made that are not entirely accurate. Of course not because of any intention, but because of lack of information. As you all know who have served with me, I have spent the greater part of my service in Congress trying to be helpful to those who provide the food and fiber for this Nation. It is natural after that effort and after long study one should reach some definite conclusions. I learned that agriculture has an important part in the economy of the Nation. The record shows that agriculture leads the way up or down. I have learned that one of the greatest assets to a prosperous agriculture is for the people in the towns and cities to be prosperous; the farmer has no hope of finding a market for his commodities, unless there is someone in town with money in their pockets to buy them.

But that is not all. I have learned and I know that to have a prosperous, stable agriculture the Government must step in and give to the group which buys in a protected market, comparable protection. I have learned that when we provide such a price-support program for the farmers we must consider the interest of the taxpayers and consumers of this Nation. And I have also learned that any support-price program must be sensible and it must be sound, if it is to remain on the statute books.

There is but one issue before the House of Representatives today. I repeat, there is but one issue before the House of Representatives today. That is whether or not the farmers of this Nation will long enjoy a good support-price program. That is the only issue here. That is the issue presented by the pending bill.

Let me put it another way, if you please. How long will this Congress, how long will the American people support a price program which spends hundreds of millions of dollars for the purchase of surplus food, and burns it or lets it rot on the ground or feeds it to the hogs? How long?

It has been mentioned here that we have a good 90 percent of parity support price program. Do you realize you did not have anything but 52 to 75 percent of parity supports before the war? Do you realize that 90-percent support is war born? Do you realize that throughout the war and up until a few months ago the 90-percent support was on a rising commodity price—going up, going up, going up, and that rarely, if ever, were the supports necessary? You understand that, do you not? Do you understand that farm prices have leveled off, and do you realize that we are now faced with declining farm prices? Those of you who want to go back to 50 percent of parity support prices, vote

against the committee bill. You should. If we have lost hundreds of millions of dollars in the last 3 years under the present support program, will someone please rise in his place and tell me how many billions we are going to lose in the next 4 or 5 years under the present program? Would you do that for me? We have heard the fantastic figures given this morning about what the committee bill may cost. I challenge every Member who has made that charge to stand up and announce the fantastic figures that the support program contained in title I, which it is proposed to extend, is going to cost in the next 12 months. You cannot measure it by the past. Why? Because, as I said, in the past your support levels were never needed except in isolated cases. Now you have reached that period, I regret to say, when your support level is going to be your market price, and you know it.

Next, I want to answer one question. The question has been asked, How much of the Brannan plan is in the committee bill? Some of my distinguished colleagues cite as their authority publications, labor journals, statements by columnists in the press, yet, with all kindness, those who cited those authorities know exactly what is in the bill.

Of the Brannan plan, to be exact, there is in the bill a new formula recommended by the Secretary of Agriculture, which I will discuss in a few minutes. There is, in addition, in the bill, an experimental program of production payments on three commodities for a period of 2 years.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. Of course I will yield.

Mr. HOPE. The gentleman does not mean that the bill at the present time puts any limitation upon the favored commodities in the program, does he?

Mr. PACE. No; but I thought my distinguished friend understood the announcement of the chairman of the committee that we proposed to offer an amendment to limit the experiment to 2 years.

You know, they call it the Brannan plan. Do you know who first recommended it? Oh, not first, but who recommended it before the Secretary of Agriculture? Mr. Chairman, I have in my hand the hearings before the Senate Committee on Agriculture when what is known as the Aiken bill was under consideration. As far as I have been able to find, this is the first recommendation of the production-payment plan made to that committee. The witness was Mr. John Davis, a very fine, outstanding, able, and honorable gentleman. Mr. Davis had been testifying about the support prices on basic commodities. This is on page 100 of the Senate hearings; that is easy to remember. He had been talking about the basic commodities enjoying such a good support price.

Mr. Davis said:

At our meeting last week, when we were talking about long-range policy, this was pretty much the sentiment—that if a long-range agricultural policy is to include support prices for basic commodities, then our

members think they are going to be driven to the position that all segments of agriculture should have somewhat similar treatment.

I subscribe to that myself.

Senator ELLENDER. Can you offer any suggestion as to how it can be done?

Mr. DAVIS. Just this: That we want a study made of the feasibility of using a compensatory payment program for some of the perishable commodities. The problem is that you cannot store such commodities; they have to be moved immediately.

Listen!

If the Government is to take title, then the Government becomes the market—

Irish potatoes, eggs, wool.

We would like to avoid that. The alternative it seems to some of our people is to let the products move in the market at some price, since they are perishable, and then compensate the farmer.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield at that point?

Mr. PACE. Briefly.

Mr. GATHINGS. Would the gentleman state to the committee who Mr. Davis represented?

Mr. PACE. I thought I stated that. Mr. Davis is the executive secretary of the National Council of Farmer Cooperatives.

Now, let us see about the Brannan plan. I do not want to be unkind; I do not believe in that. Somebody had the idea they had something here that they could damn because it happened to come from the lips of Charlie Brannan.

Let us see about that. I am going to prove to you that the National Farm Cooperatives not only suggested it, Senator AIKEN accepted it and wrote it into the bill, but the American Farm Bureau then approved it and that they approve it today. And may I repeat that? I shall show to you that the Farm Bureau approves this bill today and refuses to agree to knocking the word "payment" out of the Aiken bill.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. PACE. Mr. Chairman, Members are getting all sorts of telegrams here from the officials of the Farm Bureau to vote against the committee bill. All right. You ask me, "Mr. PACE, if that is true, why are they sending those telegrams?" Before I read the evidence I want to say to you, "I do not know." But I am going to leave a question with you.

The Honorable CLIFFORD HOPE and I in the committee both questioned Mr. Kline, the president of the National Farm Bureau, about payments being in the Aiken bill. We both asked him if he did not want to strike it out in the Aiken bill. He said he did not. And that is the Brannan plan complete.

Mr. Allen Kline testified before the Senate Agricultural Committee last week. He made nine recommendations of changes in the Aiken bill in the form of amendments and then he spent 10 minutes damning the Brannan plan but did not suggest that the Brannan plan contained in the Aiken bill be stricken out.

Could it be that the Farm Bureau wants the Aiken bill and wants everything killed that would in the slightest endanger the going into effect of the Aiken bill? I am a Farm Bureau member. I think I had a little part in building up the Farm Bureau down in Georgia, and I shall continue to try to build it up, but they have at this hour placed themselves in an inconsistent position that will never be understood by the farmers.

Let me give you the evidence. Refer to page 616, part 3 of the hearings, and you will find the testimony of Mr. John Davis, of the National Council of Farm Cooperatives, who recommended what we call the Brannan plan to the Senate. He was before our committee a short time ago. Here is a question I asked him:

Do you or do you not approve the Secretary's production-payment proposal?

Here is the answer:

We would approve it on an experimental basis.

That is the committee bill. He not only suggested that this payment plan be put in the Aiken bill but he has recommended to us that we try it out, and that is all that we are doing, as I will discuss in a moment.

Now turn to page 565. This is Mr. Goss of the National Grange now talking. Mr. Goss is a fine man. As all of us will remember, his principal recommendation to the committee was that a board be appointed to work with the Secretary.

He discussed a straight subsidy, and said that that might be necessary, but that if it were necessary he would like to see the funds raised through some system of price insurance.

It was not a question of subsidy; it was a question of how we are going to get the money.

He recognized that there may be emergency conditions where it might be necessary, nevertheless.

Now, that was the Grange. Compare that with the mimeographed letter which he mailed you a few days ago.

Now let us go to the Farm Bureau, so turn to page 465, and I want you to hear this, because the principal one fighting this bill is a man named Kline, because the Aiken bill is his baby.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. One of the pledges of the Democratic Party is to repeal the Aiken bill.

Mr. PACE. Yes. Every Democrat on the floor that night voted against it and every Republican, but two or three, voted for it, and most of them wish they had not.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. The President signed it, however, a few days later, did he not?

Mr. PACE. Yes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not true that the President stated that he was doing so reluctantly, and that but for his signature we would not have had a support program in 1949?

Mr. PACE. I am sure he is at present for the committee bill.

Mr. COOLEY. Is it not a fact that but for his signature to that bill we would not have had a support program for 1949, that is, this year?

Mr. PACE. Well, we would only have had a 50- to 75-percent program.

Mr. COOLEY. Does the gentleman not think that was a good and persuasive reason why the President should sign the bill, because the Aiken aspects of it were objectionable?

Mr. PACE. I think it was the compelling reason under the circumstances.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I have here the official directive of the President issued on December 31, 1946, when, by Executive order, he killed the support program and said the war was over so far as the farmers of the United States were concerned.

Mr. PACE. Well, he declared the emergency at an end.

Mr. MURRAY of Wisconsin. So far as the farmers were concerned.

Mr. PACE. Let us get rid of the Farm Bureau now. The gentleman from Kansas [Mr. HOPE], the distinguished ranking minority member of the committee—and there never lived a man of greater ability and integrity—asked Mr. Kline this question. Listen to this, and then make up your own minds about the attitude of the Farm Bureau:

Do you favor continuing in the Aiken bill, if it continues to be the law of the land, a provision for payments?

Mr. KLINE. It is a matter of record that we aggressively supported the act with that provision in it. It is further true that the support of prices for nonbasic commodities, which we are also for, is an extraordinarily difficult proposition, and that there is, therefore, in our testimony, a clear-cut attitude that this may be necessary, but simply pointing out that it has these dangers for farmers inherent in it. Further, it is true that we have proposed some amendments to make effective the act of 1948 and that we have not made any suggestion with regard to the elimination of this provision. In fact, we do not suggest it.

Do you understand, the gentleman from Kansas, after calling to his attention the provision in the Aiken Act that authorized production payments, which was what the Secretary of Agriculture had just recommended to our committee, asked Mr. Kline:

Knowing it is in there, that it is going to be the law, do you suggest that we knock it out?

Mr. Kline's reply was:

We do not suggest it.

That is all I am going to say, except this, that those gentlemen have exactly the same views as do the majority of this committee in reporting this bill.

We took the position that the bas are pretty well protected, my cotton, my corn, my wheat, my rice, my tobacco.

and my peanuts, and we took the position that as far as their livelihood is concerned, there are farmers producing other commodities who are entitled to equal treatment. We think they, too, are entitled to a support price. That is right. But what else did we decide?

It has been mentioned here that the first day of this session I introduced a bill to continue title I and repeal the remainder of the Aiken Act. I did. That is right. I was then concerned and I am concerned today about the Aiken Act going into effect. But since that was done I have worked in that committee day after day, morning, afternoon, and sometimes at night, and for 6 long months day in and day out we have been studying this problem.

We found that during the last 3 years your Government under title I, which the gentleman from Tennessee [Mr. GORE] now proposes you extend, has bought \$408,000,000 worth of Irish potatoes. It has burned them, it has let them lie on the ground and rot, it has fed them to the hogs, and the American people and the American taxpayers did not get one of them.

We also found that under title I, which supports eggs at 90 percent of parity, which the gentleman from Tennessee [Mr. GORE] proposes to extend and continue things just as they are, your Government has lost \$48,000,000 and now has \$84,000,000 worth of powdered eggs that they cannot even give away.

I tell you what I decided, I tell you what the 17 Democrats on our committee decided. We decided that we could not long live, we decided the farmers could not long live, and we decided the American taxpayers did not intend to live long with a program that did that for perishable foods.

All right; what was the issue, then? If a perishable commodity is entitled to as much protection as my cotton is entitled to, and I claim there is nothing sacred about cotton or corn or wheat, if there is nothing sacred about them and they are entitled to these supports, then what should we do?

It is mighty hard to get it clear in your mind if you do not understand the present farm program, if you do not understand the Aiken Act, and if you do not understand this bill. You see the difficulty. Under the present law as to cotton and corn, sorghums, and as to Irish potatoes and eggs and everything else, there are but two ways the Secretary of Agriculture can carry out the support program. He can make loans on those commodities that are storable without loss, such as cotton, corn, wheat, and tobacco. There are some six or eight of them—I do not recall exactly how many loans can be made on. Those can be kept, but what do you do with all the others? Under the present law there is only one thing the Secretary of Agriculture can do and that is to buy. That is the reason he bought the Irish potatoes. That means we tell the Secretary, "Mr. Secretary, you go out and support X commodity at a dollar." When we have said that, the Secretary announces to the farmers, "I am going to support the price on this commodity at a dollar."

Then let us say you have a surplus of the commodity you have applied your support to, and the price begins to break. The minute it gets close to \$1, the support price, what does the Secretary do? What can he do? He cannot do anything but assemble buyers and say, "Go out yonder to the market and buy up X commodity, and buy and buy and buy." So they buy the surplus to keep that price at a dollar in order to keep our promise to the farmers. That is all he can do. The present law authorizes nothing but loans and purchases. Do you understand that now? Do you understand that all the Secretary can do is to make a loan on the commodity if it can be stored and will not deteriorate and if the storage is not too much and that the only thing he can do is to purchase the surplus?

Now, the question you have to decide today, and that is all, is whether or not you want to continue title I and require him to buy potatoes and burn them up, whether you want him to continue to buy eggs and let them rot, or whether, when there is a surplus, instead of doing that, the Secretary can let the commodity find its market level and then protect the producer by a small payment and let the people of this country eat that food instead of letting it rot or be destroyed. You say that that does not make sense? Well, I do not know what would make sense. It was charged here this morning that under this the Secretary can just turn them loose and let them produce a billion bushels and let the price drop down to 10 cents? He cannot do any such thing. Nobody who has read the bill is justified in making any such statement. Listen to me, please—here is the bill. If you turn to page 7 of the bill, you will find that in carrying out the provisions of this section, "compliance by the producer with acreage allotments, production goals, and marketing practices as prescribed by the Secretary, may be required as a condition of eligibility for price support," and then turn back to page 5, section (c), and you will see that when the Secretary fixes the support level on Irish potatoes and eggs, what must he do? He must take into account the supply of the commodity in relation to the demand and the producers must be willing and able to limit their production or marketings within reasonable limitations. What did the Secretary say? You know Mr. Brannan is nothing particular to me. But I believe he is honest—I know that. I believe he is sincere. And on the last day of the hearings on his proposal I questioned him on his proposal. You can find it on page 349 of the hearings.

I questioned him the last minute of the hearings. I wanted to get an idea of what this could cost, where these production limits were to be put. Here is what I asked him:

Mr. PACE. Could it be said that you would in the administration of this program seek an ample supply of food for all of the people, on a good diet, at reasonable prices?

Secretary BRANNAN. That is right.

Is there anybody here who wants to rise up and object to that?

Mr. SMITH of Ohio. Yes. I object—

Mr. PACE. Very well. I will hear you in a minute.

Mr. SMITH of Ohio. You do not want to hear me.

Mr. PACE. I think I can say the farmers do not object. They want to produce enough for the people to eat. That is what the Secretary said—an ample supply for the people. In fact, if you will look at section 1 of the original Agricultural Adjustment Act of 1938, it is made mandatory on the farmers of this Nation to produce an ample supply for the consumers.

The consumers are not going to object. Certainly they want the farmers to produce enough food for them to eat. Certainly the farmers do not want anything but a reasonable price. I know very well the consumers do not want to pay anything more than a reasonable price. Now, who is going to object? The Secretary, in the administration of Irish potatoes next year, in the administration of the egg program next year, will ask them to produce a supply ample for all the people at reasonable prices. I hope our distinguished friend from Ohio [Mr. SMITH] will get time to tell why he objects.

Now I am taking too long. Let me hurry along, please. I think I should discuss the committee bill and the Gore bill, because we will have little time after it has been offered.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. If you will just let me finish I will be glad to yield.

The Gore bill, to extend title I, will continue the egg program as is, with no limitations, and with all the losses we have had in the past. Do you know what the Secretary is doing now? He is buying millions of eggs every day. The Gore bill would keep him in that business next year. It will continue the potato program just exactly as it is today. Not a single change. Extend title I. It would support chickens at 90 percent of parity, when all the chicken people came before our committee less than 2 months ago and said, "We do not want it. It is too high. We do not want any fixed support price. We want it left to the Secretary to work out with us on the basis of the supply and demand."

Another thing, under title I you support all wool. Did you know you were supporting prices for the packers of this country—when they buy a lamb they have a way of pulling the wool off? Did you know that you are now guaranteeing them 42 cents a pound for that old greasy wool? We do not think that ought to be done. Under the bill we have limited the support price to shorn wool, to the man out there who takes the sheep and ties him down and clips off the wool. Then we provide that he shall sell it in the market, rather than the Government buying every pound of it at 42 cents, paying the buyers, paying the classifiers, paying the storage, paying the sellers, and then selling it in the competitive market. Will somebody tell me what is the difference in making the Government buy and sell the wool or letting the producer sell it himself, when the cost would be somewhere between 25 and 50 percent less when the producer sells it?

The gentleman from Kansas [Mr. HOPE] expressed the desire that I say something about the parity formula. If it were left to me individually, and you ladies and gentlemen would put farm labor costs in the old formula, I would rather have it than anything. But I have tried 10 years now and you have not put it in. If anybody will turn to page 17 of the committee report and look at the support price you are going to get under the Aiken Act formula, no Representative from a farm area would ever approve of it. What did we have in committee? We had a sound, constructive, practical proposal from the Secretary of Agriculture. We now have one based on 1909-1914 prices. The Secretary's formula was far superior to that contained in the Aiken bill. For that reason it is written into this bill. Here is how it works: The Secretary's formula, instead of using the prices the farmers received in 1909-1914, provides that all of the prices added up—the total cash farm receipts for the last 10 of the last 12 years, that you shall take those and apply the parity index to each year and determine its purchasing power; add up the 10 years and divide it and get your average. Then he uses the current parity index to determine what those cash receipts should be at the present time; that is determined. Then after getting that total it has to be broken down to a price support for each commodity. He does that by multiplying the current parity index by the average price each commodity has brought during the last 10 years. For example—I see the gentleman from Georgia [Mr. WHEELER] looking at me—the average price of cotton during the last 10 years has been 22 cents. Multiply that by the index of 1.25 and you will find the parity price of cotton is 27.50 or 28 cents. That is the way it is determined.

I say to you in my place that we did not know how the first parity formula was going to work when it was recommended by President Roosevelt in 1933; I say to you in my place that for the next 5 years, in my judgment, this parity formula is as good as the present formula and many, many times better than that in the Aiken Act; and 5 years from now you can look at it again and see if any changes are needed.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I trust my colleagues will let me proceed for the short time allotted to me to discuss one of the most fundamental issues that has been before the Congress during my tenure in this body without interruption.

I think I should be quite presumptuous if I, alone, after a few weeks' study, came before this body seeking upon only my own endorsement to write a whole agricultural policy for this great country. That I do not.

I know we have a great Agricultural Committee. There is not one member of that committee who is not my warm personal friend. I have no criticism of them—none whatever—nor do I impugn the motives of any of our great

labor or farm organizations or any of the opposing parties to this issue.

This is a fundamental issue, a fundamental departure from the orthodox practice of our economy. It is something upon which, I trust, all of us can have honest disagreement without questioning anyone's motive. You have heard the debate. How many of you know more about the bill that is before us—very much more—than you knew before it started? It is a very complicated subject and apparently not many Members are anxious to explain how the bill will work.

The controversy we have had over the Aiken bill for the last 12 or more months, the lack of understanding and the confusion about the present bill, proves what? It proves that we cannot afford to run the risk with the farmer's welfare, and the farmer's welfare being tied to the country's welfare, by taking this leap in the dark and throwing overboard a program that has been built out of 16 years of experience and farmer cooperation.

I do not think we should take this leap in the dark, nor do I think we should permit the Aiken bill to go into effect on January 1 next. We do not have to let either happen. There is an easy but a good alternative.

What is it? It is the substitution, not of my judgment for that of the committee, not at all, it is the substitution of the agriculture program that has been built by these men, by you and by others who have passed on from this body, for 16 years. I confess I thought we had a pretty good program. I have been voting for it for 11 years now and up until last year I never saw any partisanship in the building up of that program. I have been out and I have talked to the farmers. I sort of patted myself on the back that I had been up here and voted for it. In fact, I offered a few amendments that I thought helped build this program. I thought the farmers were pretty well satisfied with it.

I wonder what got so wrong with our farm program so quick. Surely I have been misled. I put on my buckler and shield last fall and, taking sword in hand, campaigned against the Eightieth Congress for tinkering with the great farm program we had been building through years of Democratic administration under the leadership of the late President Roosevelt. Someone should have given me a tip. Honestly I did not know we were running on the Brannan plan. The campaign was over before I heard about it. And think of it. Somebody forgot to put it in the Democratic platform. I wonder how many of you were left in the dark, too. How many of you campaigned on the Brannan plan? I admit I never heard of it until—I believe it was in April. And then almost suddenly we are asked to abandon the parity-price approach to a fair exchange value of farm commodities in the market place that has gained such wide acceptance, asked to endorse a cluster of delusory promises of food both cheap and expensive at the same time, asked to approve a policy that would make the farmer dependent upon appropriations

from the Treasury for a large part of his pay for what he produces. All of this in so short a time and with such inadequate consideration.

By what high mandate are we called upon to endorse this fundamental departure from basic Americanism? By party convention or platform? No, there has been none. By referendum of the people? No, not the people. Have the farmers petitioned that their farm program be changed? I have received no such entreaties. Who, then, wants this plan? All I know is that it is Secretary Brannan's plan. The farmers claim no part of it. In fact, they do not think it is or ever will be a farm plan.

There are other mistakes in the bill to which reference has already been made in preceding debate, but the big issue before us is food subsidies. With this issue I am unwilling to temporize or compromise.

We are told that this subcommittee, of which the distinguished gentleman from Georgia [Mr. PACE] is chairman, unanimously voted to extend this program another year, only later to change its mind. Yet I have heard several suggestions from this well today questioning the loyalty of one certain gentleman from Tennessee to his party. Why? Because I advocate extending a program for which everyone of you who were here in any Congress before this one have voted.

Now, let us come to this bill. I want to take up first the level of price supports. The distinguished gentleman from Georgia pictured what was going to happen; what great catastrophe might happen with the extension of title I. Do you find in his bill any withdrawal of supports on basic commodities? Not at all. You find the list increased and the support levels upped. Even though they now propose an amendment which will make it impossible to have a subsidy-payment program on hogs, do you know what his bill will do? Read the report. The bill increases the support price for hogs from \$16 to \$19. This \$3 per hundred raise on support levels for hogs alone would amount to over \$500,000,000 on the hog crop already predicted by the Department of Agriculture, to say nothing of the increased production that is bound to result from the artificial disproportion which the Pace bill would establish in the corn-hog ratio. Do you know what the support price for corn is in the Pace bill? It is \$1.46. And \$19 for hogs. I will tell you what I can do, and I am a practical farmer, having fed hogs almost every year since I was able to carry a sack of corn. I could rent a city block in Washington or New York and truck corn from my farm in Tennessee and feed hogs at that ratio and make money doing it. Let me ask you if you want to perpetrate that on this country? It might make last years' potato fiasco look like a molehill.

Bug-a-boos can be raised about the present program. I have never suggested that it was a perfect program. It is not. From time to time new circumstances have developed and we have had to make modifications and changes. But what is wrong in that? That is how we build

programs in America. We learn from experience.

Now let me right there talk about this potato program. The Secretary has built his whole appeal on this fiasco on potatoes last year. Well, what is it this year? What is it this year? You know, he says that he can handle potatoes better by a subsidy program. What has happened this year? The potato program this year is working quite more satisfactorily. We have learned by experience, by limitation of production, by marketing agreements developed with farmers that potato price supports are working. What is the result? Through July 14 we have bought only about one-fifth as many dollars worth of potatoes as we did by the same date last year. But, that does not mean it is going to cost one-fifth as much. Why? Because the Government can come much nearer getting its money back, and putting into useful purposes, \$4,000,000 worth of potatoes than it can with \$18,500,000 worth of potatoes. Thus far this year, it is a success story and the Secretary of Agriculture is to be complimented. I talked with the man handling the potato program in my State and he tells me that this year not one bushel of potatoes has been destroyed. They have been put to good purposes; to the school-lunch program, to social institutions and some, perhaps, to potato flour. Yes, the potato program this year is working. And, what does that prove? It proves that this program that has been time tested through the years can be made to work; in fact, we have learned to handle the most difficult circumstances through and with it. Why, then, I ask you, must I be branded as disloyal to my party because I want to extend it? Why, I ask you Democrats?

Now, I want to talk for just a moment to my friends from highly industrialized districts who have been looking askance at me. Some of you have asked me why I am against the Brannan plan. Some of you asked why the farmers are against the Brannan plan and others have asked why it makes any difference to the farmer where he gets his money as long as he gets it.

Well, let me turn the proposition around and apply it to some of your constituents and then I will let you be the judge as to whether you think they would like it.

Suppose we have a bill up in Congress to establish a policy of giving cheap automobiles to the people and paying the difference in the wages the workers are paid and what we think they ought to be paid by an appropriation from the Treasury. Suppose we say to the automobile workers, "Now, fellows, we are going to have a policy of giving cheap automobiles to the people. We are going to produce an abundance of automobiles and let them find their levels in the market place, as Mr. Brannan says we ought to do with farm products. So do not you fellows ask for any higher wages. Do not you be bothered about wages, anyway. We have a policy of giving cheap automobiles to the people. Of course, the manufacturers will have to cut your wages, but now do not you be bothered about what you get in wages. We are going to

pass a bill in Congress to appropriate enough money out of the Federal Treasury to pay you the difference between what you get and what Congress thinks you ought to get."

Do you think the automobile workers would like that? Well, if you do not think so, how come you think the farmers would like it any better?

Now let me go back to this bill. Let me speak of one other price-support level that this bill would establish. This bill would arbitrarily, without any request from anyone, without any justification, without it even being wanted, raise the support price on burley tobacco \$9 on the hundred. I have here in my hand a telegram from the Burley Tobacco Producers Association saying they do not want it; it will raise the supports too high. They want to continue the present program. The wire is from Mr. F. V. Browder, president of the Tennessee Burley Tobacco Growers Association.

It would raise arbitrarily and without request the dark-fired tobacco support price \$6 on the hundred. I do not know how much you people know about tobacco, but dark-fired tobacco is one type for which we have almost no domestic market except in snuff. We depend on the foreign market to dispose of it, and they say this \$6 would price them out of the market. Let me read you the wire:

We do not favor the Pace-Brannan bill, but we do favor present law.

PAUL RUDOLPH,
General Manager, Eastern Dark-Fired
Tobacco Association.

They say they do not want it, yet by this bill we would give it to them unsought, unwanted, unneeded, and unsound.

Let me read to you another telegram from a friend of every one of you who has served in any Congress before this. It is addressed to me:

As one deeply interested in American agriculture I want to keep the American farmer from becoming a charity patient in the Government hospital.

What the farmers want and are entitled to is a fair price in the market place and not a Government hand-out or dole. And all that labor asks is a fair wage. The paymaster for the products of the soil should be the consumers of those products and not the Treasurer of the United States.

While the Brannan plan preaches a philosophy diametrically opposed to the American philosophy of government it is, I am afraid, not only a destructive but a seductive philosophy, with plenty of sex appeal, in that it holds out to the American farmers high prices and to the American consumers low prices, thus putting the hands of both the farmers and consumers into the pockets of poor old Uncle Sam for a livelihood.

Hoping that your amendment is adopted, which means that further study will be given the problem, I am sincerely yours,

JOHN W. FLANNAGAN, JR.

For the benefit of new Members, I should like to identify Mr. Flannagan as the Democratic leader of the Committee on Agriculture just prior to this year. He retired voluntarily the first of last January.

Now I want to talk about eggs. My distinguished friend, the chairman of the committee, said we have 60,000,000 pounds of dried powdered eggs. Do you

know that you can powder eggs more cheaply than you can put them in cold storage? Do you know that 60,000,000 eggs is only a drop in the bucket? How many eggs do you think were produced last year?

I am going to tell you how many eggs were produced in dozens—not just the number of eggs. Four and one-half billion dozens of eggs were produced last year. Do you know how many people sold eggs last year? Four million seven hundred and sixty thousand people, mostly women.

Now the distinguished gentleman from North Carolina is going to offer a motion, or so he has announced, to eliminate hogs from the payment program, leaving, however, this artificially created disproportion in the corn-hog ratio. But in that respect the gentleman jumps from the skillet into the fire, in my opinion—to put under the payment program, of all things, eggs. Eggs that are produced by 4,760,000 families.

The marketing of this huge production involves literally millions of sales to hundreds of thousands of buyers located in every county of the United States. The paper work that would be involved in checking sales records to determine the amount of payments due individual farmers almost defied comprehension. Eggs are sold, not only to regular produce buyers, but also to grocery stores and consumers. Thousands of farmers sell eggs on a retail basis—one or two dozen at a time—to passing motorists or to consumers along more or less regular delivery routes. The problem of verifying sales to regular produce buyers and grocery stores would be difficult. Even with an army of inspectors it would be impossible to verify farmers' reports of sales to consumers. Some padding of these reports undoubtedly would occur. What would keep farmers from selling their entire production and buying back eggs for home consumption in order to acquire the sales records which would qualify them for subsidy payments.

How, I ask you, would Secretary Brannan calculate, estimate, or guess how many eggs 4,760,000 American women will sell, to whom, and at what price? To pay a subsidy to every American woman or man who sells a dozen eggs would require the winding and rewinding of a million miles of red tape. Remember OPA? It was necessary during the war but not now.

In many American homes today much of the household money comes from the chickens and eggs which the women raise. When they go to the country store or the county seat on a Wednesday afternoon or Saturday they frequently take a basket of eggs and maybe a chicken or two and with the income from that produce they bring home a pair of shoes, or some print, or a pair of overalls, or some sugar and flour. This practice is not an isolated case, but, I dare say, in rural America the usual case.

I have been trying to figure out just how we would go about keeping all these records and making all these 4,000,000 subsidy payments. So I sent over to the Library and I called the embassies and I got all the books and pamphlets I could

about how the program was operated in Germany, in Argentina, and in Great Britain. I find that it has been a rather difficult problem for them, too. Of course, as I said earlier, it has grown far beyond the chicken and egg stage for them. I hold here a pamphlet put out by the British Ministry of Agriculture. I find many things interesting in here. Producers are required to keep receipts, the purchaser is required to keep receipts from the people to whom he sells.

I hold here, too, an analysis of the experience of Germany in this program. You might be interested to know how they handled the egg program. Every person who sold eggs was required to get a receipt in triplicate, one was to be sent to the Department of Agriculture, one was to be safely kept by the chicken raiser, the other was to be filed with the purchaser. After reading this I first thought that the method was pretty bad, but upon second thought, it occurred to me that it might be the most practical way to keep up with an egg subsidy program. If 4,760,000 egg producers averaged selling eggs just once a week that would be 247,520,000 receipts in triplicate.

How are you going to do this? We are responsible for it if we adopt this mess. I am telling you it is utterly unworkable. If you put this thing down the throats of the rural people of America and happen to go down into my district in 1950, you will likely meet one of these industrious chicken raisers going to town with a basketful of receipts—in triplicate—to get her subsidy, to make up to her what she should have got for her eggs, when she sold them, but did not. If so I advise you not to irritate her. She might be dangerous. For goodness' sake, do not say it is a Democratic program. Say it is the Brannan plan.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I know the members of the House Committee on Agriculture regret very much that the gentleman from Tennessee [Mr. GORE] did not find it possible to attend at least one of the very great many hearings which we have held. Since the gentleman did not volunteer to appear as a witness on behalf of agriculture—

And since our committee now has the power of subpoena, perhaps whenever we have a hearing again we should subpoena the gentleman from Tennessee to come and give us the benefit of some of his great storehouse of information.

Mr. GORE. Will the gentleman yield?

Mr. COOLEY. No, I decline to yield. I respectfully decline to yield.

Now, the gentleman finds himself on the horns of a dilemma. He went out and embraced a monster of tremendous proportions. You have heard that old story about the man who had a bear by the tail. The gentleman from Tennessee has a bear by the tail, and because of the fact that he has collaborated so much, he finds it impossible to turn loose the bear. Now, what is the bear? It is the Aiken bill, which was handed to him, lock, stock, and barrel, in this Republi-

can proposal to suspend that serpent above the heads of the farmers for another long year. It looked for a while that he was going to run out on his new-made friends, but apparently he has not indicated any intention to abandon the baby which was placed in his arms. His colleague the gentleman from Tennessee [Mr. SUTTON] stood here in a forthright manner and expressed the hope that the gentleman from Tennessee [Mr. GORE] would accept his amendment, which would have the effect of killing or repealing the Aiken bill. But the gentleman from Tennessee [Mr. GORE], our beloved agricultural expert from Tennessee, could not accept Mr. SUTTON's amendment. So the fight goes on, and we will face that issue here, whether you prefer the proposal by the gentleman from Tennessee [Mr. SUTTON] to kill this snake, or Mr. GORE's proposition to breathe a new breath of life into it and keep it alive.

Now, let us look at this bill. If our good friend had spent as much time reading the bill and the report and the hearings as he has in preparation to defend an indefensible position, I think he might have made a greater contribution to the cause of agriculture. Notwithstanding the fact that we have announced that when the proper time arrives we will name the three commodities upon which the Secretary may conduct his experiment—and any good lawyer knows that the enumeration of some things is considered the exclusion of other things—under this bill, with that amendment, the Secretary cannot experiment with hogs, about which the gentleman from Tennessee [Mr. GORE] seems to like to talk. The fact is he has talked about growing hogs here on Capitol Hill. Under this bill the price of hogs is fixed at 19 cents, and the gentleman from Tennessee [Mr. GORE] evidently did not think it wise to give you this language in the bill:

Notwithstanding the foregoing provisions of this section, if the Secretary determines that the parity price for corn, wheat, milk, butterfat, and hogs are not in such proper relation as to permit the maintenance of desirable feed ratios, the levels at which such commodities are to be supported may be adjusted by not more than 10 percent on any such commodity to levels which the Secretary determines will reflect desirable feed ratios.

What is wrong with that? He can adjust it 10 percent and bring the price of hogs down to about where it is now or perhaps half a cent a pound above its present level.

He makes another point; he says that someone in the burley section sent him a telegram saying that they did not favor the bill because it was going to put the price of tobacco up. Now, that just is not the situation; this bill puts tobacco just about where it was in 1948. I know that the tobacco people in my section and in the district of the gentleman from Tennessee [Mr. GORE] do not want tobacco prices brought down any lower than those that prevailed in 1948. Can you imagine a tobacco farmer facing the highest cost of production he ever faced in history sending a telegram to a Congressman saying: "Pray God, don't put my prices up"? It is the most ridiculous proposition I ever heard of.

The gentleman from Tennessee [Mr. GORE] brought out another thing, the telegram from our beloved former colleague, Mr. Flannagan. I respect him and love him, but unfortunately Mr. Flannagan did not attend a single solitary hearing by either the subcommittee or the full committee.

I think that the gentleman from Georgia [Mr. PACE] must have impressed this House with his great sincerity when he stood here and frankly told you that when he came to Washington fresh from Georgia in January that he introduced the proposition that is now being sponsored by the gentleman from Tennessee [Mr. SUTTON] in the honest belief that it was the proper thing to do. He told you that at that moment he did not know what the situation really was, but for six long months STEVE PACE, night and day has studied this problem from bottom to top. Then in July he introduced this bill after the most extended hearings our Committee has ever conducted. Talk about holding something open to study. All during the Seventy-ninth Congress our Committee studied the subject at length. During the Eightieth Congress we again studied the agricultural problem, and we took a bus and blasted the trailways throughout all of America and went into every agricultural district of this great country. We actually did not conclude those hearings until after the last general election, we concluded the hearings in Fresno, Calif., in December. Then do you think that we should go back into the cloistered halls of some study and sit down with a lot of statistics and try to bring out a farm bill? For 6 months we worked on this, and we bring it to you without apology; we bring it to you in the hope that you will at least consider it with intelligence and with patriotism; we know you will. You have the choice to make. Do not be swept off your feet by this coalition that has sworn to defeat and to repudiate the House Committee on Agriculture which has an enviable record in the Congress, and to repudiate this little part of the present Secretary of Agriculture's program and to continue with a program that becomes more costly every day we operate it. I say to you that this is a reasonable, sensible, sane, and sound proposition; and I commend it to the careful consideration of this House in the earnest hope and belief that the Members are intensely interested in doing the right thing.

Mr. HOPE. Mr. Chairman, I yield 11 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, everyone who has ever studied law recalls the stock illustration used to show that alternative, inconsistent pleadings are permissible. It was alleged that a culprit "did steal, take, and carry away one brass kettle to the value of 12 shillings." The defendant answered: (1) That he did not steal the kettle, never saw it, and it never came into his possession; (2) that he found the kettle; (3) that the kettle was given to him; (4) that he bought the kettle; (5) that the kettle was iron, not brass; (6) that it wasn't worth 12 shillings.

The proponents of the Brannan plan and of its forerunner, the Pace bill, now before us, must be familiar with that system of pleading.

They claim: (1) That the Brannan plan will give the farmer the same income he has enjoyed during the last ten boom years; (2) that it will give the consumer low-cost food because the farm produce will be allowed to sell at the price it will bring and the Government will pay the farmer the difference out of the Treasury; (3) that it will not break the Treasury because farm production will be curtailed by crop control; (4) that it will not enslave the farmer because he will have a chance to vote in a free election whether he wants his crop controlled; (5) that he will vote to have it controlled because if he doesn't he won't be given any price support; (6) they further claim that the Pace bill is merely a harmless "trial run" of the Brannan scheme to see how it will work.

Let us test these claims.

First, this bill is not a "trial run." It is an entering wedge for the whole Brannan plan. History has shown that farm price support is a one-way street. From the 50 percent to 75 percent of parity of the early thirties' support has risen gradually to the 90 percent of World War II. The Steagall Act extended this for two years after the war as a cushion for the farmer during the tapering off of prices. No one contemplated that the present 90 percent of parity would be continued permanently in time of peace. Time has proven, however, that the farmer, even though he is by nature an independent and self-reliant individual, is only human like the rest of us, and when he has become accustomed to receiving a Government subsidy he does not want it reduced. So, when he was told before the last election that under the law soon to come into effect there might be a reduction of price support, he responded with a thundering "no."

The Pace bill cannot be a mere trial run because it establishes a new and higher standard of price support.

Once the Brannan plan of production payments and guaranteed high income becomes effective under this bill for a few commodities, producers of other commodities will insist upon sharing its benefits, and it will be impossible to retreat. The Pace bill came into this House as permanent legislation, permitting the Secretary of Agriculture to put his scheme of production payments into effect on any three commodities that he might choose, subject to certain criteria. It was generally understood that hogs would be one of these commodities. Support of hogs would be a multi-billion-dollar program and would probably strike a staggering blow to producers of beef cattle and other live stock, therefore, a wave of opposition arose. Whereupon, proponents of the bill agreed to limit its effect to two years and limit its application to potatoes, eggs, and wool. Let us not deceive ourselves. If the bill were limited to three months and affected only onions, and parsnips, the camel's head would be in the tent and the Brannan plan would be the inevitable result.

Let us apply our test, therefore, to the Brannan scheme, of which the present

bill is merely a forerunner. What will it do for the consumer? What will it do for the farmer? What will it do to the taxpayer?

First let us consider the consumer.

When Mr. Brannan unveiled his scheme, it was to be a great boon to the housewife and meant low-cost food. He talked about it, labor leaders talked about it, and a flood of propaganda was loosed to woo Mr. John Q. Public with this promise. Recently all this talk has suddenly hushed, and there has been a cavernous silence regarding this feature of the plan. Why? The Brannan scheme cannot benefit the consumer for two reasons: first, because it must be accompanied by crop control or break the back of the taxpayer. Crop control means curtailed production of foodstuffs and curtailed production means continued high prices to the housewife. Second, the consumer cannot benefit materially unless a rigid system of price control is added to price support. History has shown that when the farmer gets little for his produce the retail price is still comparatively high, and the difference is absorbed by the processor and the middleman.

There it is, Mrs. Housewife. If you are ever to profit by the Brannan scheme, you must take the OPA back to your bosom with it, and even if you do that you would still not profit much, because under the plan food production must be limited.

Now let us consider the farmer. The Brannan scheme will make the farmer forever the poor relation at the family table of the Nation. He will be given lip service and kind words but he will be reminded constantly that he is dependent upon public charity. His great worries have always been the vagaries of the weather, but he will find those worries were bliss compared with the anxieties that will beset him when he becomes dependent upon the whims of the Appropriations Committees of Congress for his livelihood.

The Brannan scheme means Government-administered farm prices and farm income, with absolute control of all land and production. We have heard much in the past months about a slave-labor law. Make no mistake. If the Brannan plan is ever enacted into law (and the Pace bill is the first step), we will have a slave-farmer law. The Secretary of Agriculture will become a complete czar, in control of every acre of every farm in the Nation. Oh, yes; proponents claim that the farmers will have the chance to vote on accepting marketing quotas and that acreage allotments will be used only as a last resort. That is so much prattle. If the farmer does not vote for control, he does not get any price support. Thus he has the privilege of voting whether he shall eat or starve. This is like the "free elections" that were held under Hitler.

The Brannan scheme would place a ceiling on opportunity in agriculture. The farmer could never again sit on his porch at sundown and look across his meadows and plan what he would do with his own the coming day or month or year. His pride of ownership and his sense of independence and security would be for-

ever lost. His standard of living would no longer depend upon his efficiency in producing because once again, as in the days of Henry Wallace, he would be paid for not producing.

No effort has been spared to sell this plan to the farmer. The long arm of the Department of Agriculture has reached out to every community and farm in the Nation with its hand filled with pamphlets and propaganda. But the farmer is awakening to his danger. The Farm Bureau, the National Grange, and other organizations are fighting desperately against it.

Now let us forget the consumer, the farmer, or any other individual or group and consider what the Brannan scheme means to the Nation as a whole. The implications of this measure, both political and economic, are more far reaching than any proposal Congress has considered since it voted to declare war. Its staggering cost to the taxpayer and its effect on the farmer or the consumer are of minor importance compared with the new philosophy it presents.

Fundamentally, the Brannan plan is a scheme to form a political alliance between labor and agriculture to bring about a Socialist-Labor Government in this country and to create a welfare state like the one which flowered so beautifully and is withering so fast in England. I do not question the sincerity of many of its proponents, both within and without this Chamber, but I am convinced that they are unknowingly the tools of those who seek to seize and keep the reins of Government and to make that Government supreme over the rights of men.

Those who doubt this statement should heed the words of former Secretary Byrnes:

Too many people are trying to transfer power to Government. * * * Power once transferred to Government is difficult to recover. Power intoxicates men. When a man is intoxicated by alcohol he can recover, but when intoxicated by power he seldom recovers.

Those who are beguiled by the glittering promises of this legislation should consider Secretary Byrnes' words:

Beware of the Greeks bearing gifts. Beware of those who promise you something which does not belong to them and which can be given to you only at your own expense or the expense of another who may not produce to make the promise good.

Those who do not appreciate the true significance of the decision before us should hear him further:

We are going down the road to stateism. Where we will wind up, no one can tell, but if some of the new programs seriously proposed should be adopted, there is danger that the individual—whether farmer, worker, manufacturer, lawyer, or doctor—will soon be an economic slave pulling an oar in the galley of the state.

Finally, those who believe that the gadgets and supposed safeguards in this bill protect our liberties, should heed the recent words of General Eisenhower:

I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us.

I realize that many of the people urging such practice attempt to surround their particular proposal with fancied safeguards to protect the future freedom of the individual. My own conviction is that the very fact that they feel the need to surround their proposal with legal safeguards is in itself a cogent argument for the defeat of the proposal.

These are some of the reasons that I am opposed to the Brannan plan and to its stepchild, the Pace bill. I have no quarrel with those who do not wish to let the Aiken law, so-called, take effect the first of next year, because while I subscribe to the fundamental intent of that law, which is to provide a flexible price support within certain limits sufficient to protect the farmer from disaster but not high enough to bring on the evils of control and regimentation, I believe that that law is defective in that it places in the hands of the Secretary of Agriculture nearly, if not quite, as much power as he would have under the Brannan proposal.

I hope that the amendment to be offered by the gentleman from Tennessee, continuing for the time being the law now in effect, will be adopted. Certainly this is only a temporary expedient, but so is the Pace bill as described by its sponsors. The Committees on Agriculture of the Congress should have the time and opportunity to study thoroughly and prepare carefully a long-range agricultural program. There are many constructive proposals yet to be considered, such as: A system of insurance to which the farmer contributes for protection in times of falling prices; the encouragement of new industrial uses of farm products; a two-price system to dispose of food surpluses abroad; and, a coupon system to make such surpluses available to low-income groups in our own country.

Let us not act in haste. We are not in such desperate straits that we need to stifle the producing capacity of American agriculture by placing it in the vise of economic distastefulship. I believe that with time and determined effort we can provide a plan for the American farmer that is within the pattern of our Constitution.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I am not here to attack or support either one of the bills. I should like to have some questions answered. Is the gentleman from Georgia [Mr. PACE] in the Hall? Is there anyone else who would volunteer to give expert answers to some questions?

I am rather disturbed about some of the features of this bill. I appeared before the subcommittee and I was interested to know who it was that requested that potatoes be incorporated in this bill as an experiment. I do not find anyone requesting that potatoes be used as an experiment. I would like to know when the price of potatoes is to be fixed. I am serious, gentlemen. I would like some member of the Committee to answer these questions if you can answer them.

I would like to know if the price is to be arranged for an area or for a State or for the Nation?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes, if the gentleman has the answer.

Mr. AUGUST H. ANDRESEN. The price is to be fixed by the Secretary at somewhere between zero and 100 percent of parity, leaving it to the Secretary of Agriculture.

Mr. BARDEN. I would like to know if the price is going to be fixed for an area or for a period, or for a particular sale, because an individual farmer could very easily sell his potatoes on the opening market for \$2 per hundred and then the price fall and if another farmer happened to come in the off-area, or off time so to speak, he would get probably \$1.50, yet the average would be \$1.75, and if the support price was \$1.70 the \$1.50 farmer would have no protection.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. GORE. I would not undertake to answer for any member of the Committee, but I would like to read one sentence from the bill which would give the Secretary authority to remove all these little farmers from the supports that you are speaking of. I will read from page 9, line 18:

Production payments need not be made with respect to any commodity or any producer thereof if the Secretary determines—

I would like to digress there to say that I am omitting some 20 specific grants of authority in the bill.

If the Secretary determines that the total amount of production payments which would be made to the producers of the commodity is too small to justify the administrative cost of making such payments.

Mr. BARDEN. I thank the gentleman, but I happen to represent a great potato-producing district. I happen to recall for the last 3 years we have appeared before officials of the Agriculture Department and last year before the Secretary of Agriculture begging the Department and the Secretary to change the type of administration of the potato program. Yet they persisted each year in doing a perfectly foolish and asinine thing. Then the Secretary and his assistants, Mr. Smith, Mr. Trigg, and Mr. Woolley, want to point to the potato program and say how terrible it is. And on top of this the Secretary apparently wants to use it as a guinea pig. Certainly the potato industry is opposed to it. The present program would work O. K. With the right kind of administration the Department of Agriculture does not need more power or law covering potatoes; they and the potato farmers need a better administration of the present law.

I see the gentleman from Georgia on the floor and hope I will have time to go over these questions again.

Will the gentleman from Georgia answer this question? Who requested that potatoes be put in this bill?

Mr. PACE. Who requested it in the testimony before the committee?

Mr. BARDEN. Yes.

Mr. PACE. I do not think it was requested by the producers.

Mr. BARDEN. The gentleman recalls our appearing before your committee?

Mr. PACE. Oh very clearly, and very pleasantly.

Mr. BARDEN. The gentleman will recall the complaint we have had for 3 years as to why the potato situation has gone bad?

Mr. PACE. We hope to have a bill ready next week.

Mr. BARDEN. But there is no word here that corrects the inequity and injustice that has been perpetrated on the potato people during the last 3 years?

Mr. PACE. We could not put it in this bill, but a bill will be before the House next week or the week after that which we hope will correct that.

Mr. BARDEN. May I ask the gentleman this question: in setting the price for potatoes, do you set it for the season, for the year, for the quarter or for the month?

Mr. PACE. Do you mean as to the payments?

Mr. BARDEN. That is right, as to your support price.

Mr. PACE. It will be set just as it is now, I presume.

Mr. BARDEN. You presume—I do not want to presume on my potatoes.

Mr. PACE. That is not changed in the bill. That is all I can say.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BARDEN. Mr. Chairman, may I have some more time?

Mr. POAGE. We cannot give the gentleman any more time. We only have 69 minutes remaining.

Mr. BARDEN. I am not going to get ugly about it, but I will say to you gentlemen that you are going to give me more information about the potato situation than I have been able to get otherwise you are not going to find me so friendly to your bill. I tell you that now.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, as most of my colleagues know, I have long contended that the proper way to effectively and permanently solve the agriculture problems is to start from the soil. In order that such a program might be carried out, I have introduced a soil conservation bill, H. R. 2368, which would take land out of production which is now producing surplus crops, and put that land in soil conserving crops, and thus balance production. I recently explained my bill before the subcommittee of agriculture of which the distinguished gentleman from Georgia [Mr. PACE] is chairman.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Georgia.

Mr. PACE. May I say to the gentleman that the subcommittee is giving most sympathetic consideration to the gentleman's bill, which is very meritorious.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I ask unanimous consent to read into the RECORD my testimony before the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The statement is as follows:

Mr. PACE. We will now hear from our distinguished colleague, Hon. Ben F. Jensen, of Iowa.

STATEMENT OF HON. BEN F. JENSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. JENSEN. Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before this committee and be of any help I can in providing a few thoughts on what you and I consider the greatest problem facing our Nation today. Needless to say, the whole welfare of our economy, agricultural and industrial, weighs heavily on the decisions this committee reaches in regard to effective farm legislation.

The Nation is sadly in need of a sound approach to the economic problems that beset it today. Since directly or indirectly approximately 70 percent of our labor is employed in the production, processing, and distribution of farm products and the services incident to such activity, the destiny of our Nation's economy rests on the leadership and legislation you gentlemen and the other Members of Congress provide.

It is regretful that practically all of the help offered this committee by well-respected, and rightfully so, national agricultural leaders has been based on economic tangents and monstrosities irrelevant to the basic causes of our agricultural problems. They deal totally in trying to control effects.

Far too many of our agricultural legislation proposers ignore or forget that there is a bottom to the taxpayers' appropriations barrel. We would never have any economic problems if there were a limitless supply of dollars to cure our economic maladjustments. But we know that the Nation's Federal business structure is very similar to your family's or mine. We have to live within our income and cannot constantly overspend without irreparable disastrous results.

It seems obvious that if our people aren't interested in using more cotton—the fact is clear. If our people are not interested in eating more and more potatoes and consume all the farmers wish and can produce—that fact is also clear. The same is true in regard to certain grain crops. The Government does not have the right or obligation to force our people to utilize everything agriculture produces, or to force our people to pay through taxes sufficient money to make it profitable for our agriculture to continue the production of certain unwanted crops. Our people are interested in more food; but they want it in such items as more and better meat, milk, cheese, and other high standard of living foods. They do not object to using a reasonable portion of their income for food purchases. But they dislike spending part of this income for the production of unwanted commodities as they are now doing through taxation.

That may sound like a peculiar statement since I represent a farm area. But I know that the people I represent want a truthful answer to our farm problems. They want legislation that will work and that will not bankrupt our Government. After all, our farmers have just as much stake in a sound, effective Government and economic system as does the city dweller.

Our farmers realize that their security is no stronger than their ability to produce the types of food the consumer wants to buy. They have no security when their affairs and production are manipulated by one or two people at the Washington level.

I have considered at length these farmer and consumer interests and problems in regard to farm legislation. As a result, I introduced H. R. 2368 earlier this year. This legislation is not a cure-all—it is just a beginning. It will start our Government on a constructive and nonbankruptcy path to helping farmers bring their production in line with consumer food demands, and at the same time will encourage more and more farmers to conserve and make better use of their soil resources.

We should first recognize what took place on our land to produce our 1948 crops. Of the nearly 351,000,000 acres harvested in 1948, approximately 148,500,000 were used for intertilled or row crops, 129,000,000 for close-growing or small-grain crops, and 73,500,000 acres for meadow or hay crops, as part of a soil conserving and building rotation.

A close analysis of 1948 row crop and small grain production shows that at a very minimum approximately 43,500,000 acres which were used for row crops and 28,500,000 acres for small grain should have been in meadow or hay crops for a minimum soil-conserving rotation. (Estimates based on study material used to compile testimony for Long Range Agricultural Policy Hearings, House of Representatives, March 10, 1948).

It is very conservative to say that one out of every four acres in row crops or small grains in 1948 should have been in a meadow or hay crop for a minimum soil-conserving rotation. Likewise, we would not have a serious maladjustment to agricultural production today if our land were being properly used.

It should be possible through payments, as outlined under H. R. 2368, to reduce the corn acreage 5 percent, the wheat acreage 13 percent, and the cotton acreage 20 percent in this country by Federal payments not to exceed \$200,000,000 the first year. This could be done on the basis of converting 20,000,000 acres of land that had been, for the previous two or more years, in corn, wheat, and cotton to grass and woodland at the average rate of \$20 per acre, the Government paying \$10 per acre or one-half the total cost. Let me point out that a reduction of so large an acreage of these three crops the first year would very largely, if not entirely, eliminate the possibility of surpluses occurring in the production of these crops.

In the sixth year, at an annual cost not to exceed \$200,000,000 per year, 10 percent of the present corn acreage, 25 percent of the present wheat acreage, and 40 percent of the present cotton acreage could be retired to grass or trees which would undoubtedly eliminate any further possibility of temporary surpluses occurring in the production of these crops. I should like to insert in the record a simple tabulation indicating what an annual Federal payment of \$200,000,000 could do under the terms of H. R. 2368.

Mr. PACE. It may be inserted in the record at this point in your statement.

(The statement above referred to is as follows:)

Acreage of grain and cropland that could be converted to grass or trees with a governmental payment of \$200,000,000 per annum as provided in H. R. 2368

	Millions of acres	Percent of cost	Cost per acre	Total cost
First year.....	20	50	\$10	\$200,000,000
Second year.....	20	20	4	200,000,000
Do.....	12	50	10	
Third year.....	32	20	4	200,000,000
Do.....	7.2	50	10	
Fourth year.....	39.2	20	4	200,000,000
Do.....	4.32	50	10	
Fifth year.....	43.52	20	4	200,000,000
Do.....	3.59	50	10	
Sixth year.....	46.11	20	4	200,000,000
Do.....	1.56	50	10	

Mr. JENSEN. Thank you, Mr. Chairman. It shows that 47,670,000 acres of land now in

soil-depleting crops could be converted to soil-conserving crops; also, as I pointed out, it would eliminate this trend in a surplus which is bringing about a condition and a threat of acreage allotments.

The retirement of grain and row-crop acreage under this provision of my bill is assumed to be at the rate of \$20 per acre. That is, an acre of cropland could be retired to trees for an average of considerably less than \$20 per acre. Similarly, an acre of cropland could be retired to grass, where no lime and fertilizer were needed, at somewhat less than \$20, but if the farmer needed lime or fertilizer in order to encourage good grass pasture or range, it would take somewhat more than \$20 per acre to obtain it, so an average of \$20 is assumed.

Historically, reduction of crop acreage has not necessarily reduced production of the crop except temporarily. That is, the record shows that the attempts in the thirties to reduce the acreage of wheat, corn, and tobacco did not reduce total production. There was some reduction in cotton production as a result of acreage allotments. The reason for little or no reduction in production through crop acreage allotments is that land is only one of the resources of production at the farmers' command. In earlier attempts the farmer used more labor, fertilizer, and other resources on the land he had in crops and thereby produced greater yields per acre. My recommendations in H. R. 2368 would give the farmer the opportunity of using these extra resources, including his labor, to produce grass or trees, enhance his production, and produce animals and animal products for which there is likely to be a greater demand than for the grain.

As an initial move to help farmers bring their agricultural production and land use more in line with consumer demands. Congress should discontinue appropriating any funds that foster soil destruction by supporting overuse of our soil resources for the production of certain row crops and small grains. We are appropriating hundreds of millions of dollars for this purpose every year.

One of the great travesties on the agricultural scene today is that we do not know actually what the Nation's soil resources are, their condition, or what treatment a vast portion of our land needs to keep it productive. In many ways it's ironic for Congress to legislate for agriculture when it knows actually so little about what our soil resources are.

Except for the work of the Soil Conservation Service in the Nation's soil-conservation districts, farmers have no way to obtain information on the capability of their land for best use and production on an acre-by-acre basis, to learn the condition of their own agricultural food factory. In many places these factories are crumbling—saved temporarily by tremendous uses of fertilizers—but nevertheless washing and bleeding away. In other places tremendous use of fertilizers hides from the farmer's eyes what is actually happening to his land. We need the completion of a Nation-wide land capability survey of our farms, ranches, and woodlands to determine the productive capacity of land conservation needs of each acre. This information should then be furnished to each farmer and rancher, so that he could know what is happening to his food-producing factory, and what his farm needs to keep its productive capacity permanent.

I believe that if all farmers and ranchers of our Nation knew what was taking place on their land, such as when they bypass minimum soil-conserving rotations, we would see one of the greatest changes in land use imaginable, and within a period of a couple of years, I am convinced that when a farmer really knows the truth about his land, he becomes one of the greatest champions for effective soil and water conservation, which in itself would remove most of our present agricultural problems.

In H. R. 2368 I have provided for an early completion of a Nation-wide survey of our soil resources and for furnishing this information to every farmer and rancher.

Nor is this all this legislation provides. There are provisions for a national land policy, a conservation timetable, and special measures to help landowners add sufficient acreage to their farm to complete a profitable farm, and thus reduce much land overuse resulting from uneconomic-sized units. This legislation provides technical assistance for soil- and water-conservation farming for all farmers and ranchers of our Nation who are not now located within a soil-conservation district. There are conservation payments, part of which I described a few moments ago, which will provide for lasting soil conservation. Also, the legislation strengthens the system of farmer control of his agricultural affairs and fosters the organization of soil-conservation districts.

No new agencies are called for, but the Secretary of Agriculture is given the power to join more closely the work of the Soil Conservation Service, conservation programs of the Production and Marketing Administration, and the Extension Service for concerted action on problems which confront this committee today.

It is obvious that a balanced agricultural production that can demand a rightful share of our national income depends on proper use of our soil resources. The sooner we help farmers to use their soil resources properly, as is done by all farmers who have effective soil and water conservation programs, the sooner we can ease the economic problems that confront our people today.

Now, Mr. Chairman, I hope I am not taking too much time.

Mr. PACE. No, indeed. May I say here that is one of the most sensible statements I ever heard on the point of the conservation of soil.

Mr. JENSEN. Thank you, Mr. Chairman. I know you have always been very interested in the problem of soil conservation, as well as all other problems so important to our Nation, and I want to compliment this committee now, each and everyone of you, for sitting in these hearings so long, to learn just exactly what is needed and what is best for this Nation through a good agricultural program.

I can't minimize the importance of the job you have to do.

I would just like to express my ideas relative to the different types of programs that have been proposed for agriculture.

I would like just to read a letter which I have been sending out to my people who have asked me how I stood on the Aiken bill; and I think I can give you a clear picture of what I think we should have in the way of an agricultural program.

I might say that the bill which you gentlemen passed in the House in the Eightieth Congress, original bill, the House bill, which this committee brought to the floor of the House and which was passed, was, in my opinion, as good a bill as can be written, as could have been written at that time, for agriculture; and I recommend today that when you write the bill which you will no doubt bring out in this session of Congress, that it will not be too far away from the provisions of the bill which this committee approved and which the House approved during the last session of the Eightieth Congress.

Mr. PACE. Which is now title I?

Mr. JENSEN. That is right.

If I may, Mr. Chairman, I would like to read this letter. It covers about a page in the CONGRESSIONAL RECORD—it is a little less than a page; but in so doing, you will note that I am not only telling you folks here, this committee, what I think about the Aiken bill and some other things in the agricultural field, but you will also note that this is what

I tell the people who hire me to come down and represent them in Congress, the people of the Seventh District of Iowa. The letter reads as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 31, 1949.

DEAR FRIEND: Regarding the 90 to 60 percent slide-down scale for basic farm crops, versus the 90-percent support prices now in effect on such commodities, in order that you will know just why I am for the 90-percent support price, I will give you the background of what brought about the 90 to 60 percent provision which goes into effect January 1, 1950, as provided in the Aiken bill.

You know, of course, that the labor leaders made a lot of noise about high cost of food long before the last Presidential campaign got under way. They knew, of course, that it would be popular with most members of the trade-unions to do so, but they did not tell their members that their food bill was costing them a less percentage of their wage dollars than it had during any peacetime period of full employment in the history of our Nation.

The New Deal Party has constantly worked overtime in their great desire to prove to labor that they were the champions of high wages and cheap food while out of the other corner of their mouth telling the farmers they were for a high price for his products. Hence the New Deal have received a great majority's of labor's votes. However, in the last campaign they felt it would be necessary for them to further prove to labor that they were still for cheaper food in order to hold the labor vote. So here is exactly how they did it.

The labor leaders collaborated with high officials of the Department of Agriculture in writing the so-called Aiken long-term agriculture bill. One of the provisions in the bill was the 90-60-percent slide-down scale for basic farm-crop supports. And between the New Deal campaign strategists and the labor leaders the Aiken bill was sold lock, stock, and barrel to the top men of our farm organizations.

The bill came to the Agriculture Committees of the House and the Senate very late in the last regular session of the Eightieth Congress. The House Agriculture Committee turned thumbs down cold on the 90-60-percent provisions. The bill came to the House with the full 90-percent provisions in the bill and was passed by the House in that form.

The Senate Agriculture Committee also held hearings on the bill and inserted the 90-60-percent slide-down-scale provision. The bill was then taken to the floor of the Senate at about 2 a. m. one morning during the last week of the regular session of the Eightieth Congress, where Senator AIKEN, from Vermont, chairman of the Senate Agriculture Committee, put the bill through the Senate with very little debate.

After which the Senate and House conferees met in almost constant session for several days and nights to thresh out their differences in the bill. The 90-60-percent slide-down-scale provision inserted by the Senate versus the 90 percent House provision was the main point of contention between the two Houses. These conferences between the House and Senate were held during the very last few days of the regular session. The House Members held out for the full 90 percent of parity until about 4 a. m. on the morning of June 20, the very day Congress adjourned. However, a compromise between the Members of the two Houses was effected, and the 90-percent support provision to remain in effect until January 1, 1950, after which time the 90-60-percent slide-down scale was to go into effect. Then the compromise report was brought to the floor of the House about 30 minutes thereafter. The bill was passed by the House and the Senate

within a very few minutes thereafter, and in due time the bill was signed by the President.

It is noteworthy that the very next day after the bill was passed prices on most all farm products began to drop and have been on the decline since, and from that day on the unemployment rolls have mounted. Now I am thoroughly convinced that until we repeal the 90-60-percent provision in the bill prices on farm commodities will continue to slide down and unemployment rolls will continue to mount proportionately. Not only will grain prices tumble further but hog, cattle, and poultry prices will go right down the toboggan with them.

Let us not forget that farm prices were 66 percent of parity on an average in 1931-33, and that during those times not only the farmer but the businessman, the laboring man, and everybody in America were in a serious predicament. I need not remind you of this, I am sure, for I know you are old enough to remember it. There was on an average of 14,000,000 American people who were unable to find work during that era for the very simple reason that the farmer's buying power was almost nil. Now certainly that should be a lesson we dare not forget, regardless of our politics, faith, or vocation.

Ever since my first year in Congress I have cooperated very closely with common-sense economic analysts and many Congressmen, most of whom are from farm States, in search of facts and figures to guide us in the right direction to avoid, if humanly possible, another depression, and possibly the complete destruction of our system of government and everything worth while in our blessed land.

Here is what these many years of research has brought to light: For the past 20 years the records of the Department of Commerce, which are compiled from the records of the Departments of Agriculture, Labor, and from other accurate sources in Government records, show that whether it be periods of peace, depression, war, or postwar prosperity such as we now have, the national income has been and is now approximately seven times the farm income. The postwar prosperity which we have enjoyed since World War II has held up mainly because we have had a high farm income due to the fact that basic farm commodities have been supported by our 90-percent parity law.

If you will remember, it was less than 2 years after the close of World War I that farm prices took such a terrific drop which brought about a national depression in 1920. And during the several years thereafter many farmers lost their farms and a lot of business houses closed their doors for the very simple reason that the farmer's buying power was almost nil. I remember that era only too well, as I was at that time running a lumber yard in Exira, Iowa, dealing with farmers almost exclusively. Certainly that horrible experience should be a lesson to all of us. It must not happen again. I am thoroughly convinced, after much study, that the 90-60-percent slide-down support scale on basic farm prices will bring about a repetition of a like condition during the era which I have just described.

Doubtless you have heard the argument it is necessary to reduce the price on farm commodities to avoid great surpluses from piling up, which the Government would have to buy and store in greater quantities than would be possible for the Government finances to stand. That argument falls flat with those who have made a deep study of what causes surpluses to pile up, which is, when the buying power of the people is not sufficient to purchase the goods they need for the high standard of living we Americans want and expect. The facts are that a greatly reduced American standard of living will very surely be brought about by a great reduction in prices of farm commodities, since all wealth springs from Mother Earth, and because as I said before, the national income each year is

approximately seven times the farm income; so, unless we maintain a high farm income sufficient to generate a high national income, and thereby assuring high consumption of all goods, Americans will be in serious trouble, and you can bank on that.

Here is something else to think about. Who in America would expect the good Lord to continue to bless us with such abundant crops as we have enjoyed the past 8 years? I am sure, you, like I, will agree that that would be too much to expect of Him who runs nature's business. We are bound to have crop failures in some degree most any year now, and should it become our lot to suffer, say even a 25-percent crop reduction on an average for a period of 2, 3, or 4 years all over America, below the average of the past 8 years; how, I ask in all sincerity, would we feed and clothe the American people the way they like to be fed and clad, let alone help to feed the world, when now we are exporting only about 3 percent of our farm production?

You will also hear the argument that unless the Secretary of Agriculture is given the authority to reduce support prices as is provided in the 90-60-percent slide-down provision, that surpluses will pile up to such a degree that acreage control will again be necessary. That argument also falls flat when we know that it was cheap farm prices that brought about acreage control in the AAA bill of the early thirties. And the result of that program was that the farmers so fertilized and mined their allotted cash-crop-producing acres, that they produced more than ever, and were obliged to do so to meet their bills.

The 90-percent support-price program on basic farm products, corn, wheat, tobacco, cotton, peanuts, and rice has not cost the American taxpayer one thin dime to date. It has actually made a profit to the United States Treasury, to say nothing about the great benefits to the farmers of America and to our whole economy, and for these reasons I certainly will not be a party to a program which I honestly believe will be destructive to not only the prosperity of our Nation, but also to the peace and progress of our Nation and the world.

You, no doubt, also have heard the argument about the potato situation. I agree that potatoes, which are perishable and cannot be stored for any definite period, should not be supported at the full 90 percent of parity. The facts are that the Potato Growers Association of America suggested to Congress that the support price on potatoes be materially reduced. And the provisions in the Aiken bill directs the Secretary of Agriculture to do so. Hence, that argument made by the sliding-down-scale advocates also falls flat.

If our national income is drastically reduced the American market, which is the only stable and good market of the world today, will lose its buying power, and when that time comes we will neither be able to pay our own way nor help foreign nations with loans or free dollars with which to buy our goods or other nations' goods, or to ward off communistic aggression any place in the world, America included.

Records of the past 20 years also prove that for each dollar of gross farm income, labor (which includes all kinds, blue denim, white collar, and professional) receives an income of over \$4, so the laboring people have a mighty big stake in keeping the farmer's income on a high level, the source of all wealth. Regarding the businessman's interest in this proposition, I am sure I need not explain to them the need of keeping a high farm income for they know that is the only thing which will insure good profitable trade for them.

A \$42,000,000,000 annual Federal tax take from the American people means that each American family pays on an average of over

\$1,000 per year in direct and indirect Federal taxes. Add to this around \$300 which each family is paying per year in local, county, and State taxes, it makes a total outlay in taxes per year for each family of over \$1,300. This being a fact, we must surely do two things, keep our national income at the highest possible figure and stop wasting the taxpayers' dollars.

I hope this will explain my reason for opposing any law which will reduce farm income.

Sincerely yours,

BEN F. JENSEN.

Mr. ANDRESEN. I would like to know what the gentleman's response was from the people who received that letter.

Mr. JENSEN. I may say I never had anything but complimentary responses. Those who were for the 90-60-percent slide-down-scale provision either did not write me or said, "Thank you for your explanation; it makes sense."

Now, gentlemen, I have taken too much of the committee's time.

Mr. ALBERT. I would like to ask the gentleman a question. I was very much interested in your discussion of your proposed bill, H. R. 2368, I believe. There are problems that worry me quite a little in regard to it and I would like to have your comment on the matter of soil conservation crops. First, would we run into the danger of many farmers having to go out of cash crops so that they would not have enough such crops to make a living for their families?

Mr. JENSEN. No, because the acreage reduction would be small for each farmer. But as you know it is that 5- to 10-percent surplus which depresses farm prices.

Mr. ALBERT. And would the 50 percent from the Government be inducement enough for them to do the job?

Mr. JENSEN. In answer to your first question, my bill is not mandatory, if anyone does not want to get in the program that is their own business. However, you say you wonder if they would have sufficient cash crops. Well, of course, now when you only transfer 10 percent of an average farm, and that is about what it would be, to balance your agricultural production—10 percent converted from soil depleting to soil conserving would certainly be a benefit not only to the farm itself, but to the farmer who would be building up his soil. He would be cooperating fully with the soil-conservation program, which I think all of us want. He would also be contributing to flood prevention, which is one of our big problems, for you know what flood control costs this country. Flood prevention is carried on in soil conservation. That is flood prevention because you hold rain where it falls and keep the mud and muck and trash out of our streams.

Mr. ALBERT. I think your proposal deserves a lot of consideration by this committee.

Mr. JENSEN. Thank you. My bill provides that we pay 50 percent the first year, and then in order to induce them to keep that land in grass or woodland, we pay them one-fifth of the first cost, or \$4 of the first year's cost, for the next 5 years.

It is truly and fully a soil-conservation program in effect, but while we are doing that, we are also taking out of production those crops that are in surplus production. If the program which I recommend is put into effect there will be very little need, if any need, for acreage allotments, or for a reduced parity support price on farm crops, so it serves a threefold purpose.

The things facing us today are the problem of conserving our soil and the problem of keeping the farmer prosperous, for he must be kept prosperous in order to keep the Nation prosperous, as I am sure every one of you will agree.

The whole thing is that we do need a leveling out of our agricultural production. We produce too much of one thing and not enough of another. I don't like this acreage allotment thing and the farmers don't like it. They don't like to be told how they can run their farms. They would like to do it voluntarily and they can do it I feel certain under my bill H. R. 2368, if we will make the 90-percent parity supports permanent.

I have given this a lot of thought. I have worked on this problem constantly during my services in Congress. I am now in the eleventh year, and I know you folks, many of you, have done likewise. I have talked this matter over with many members of this committee, with Mr. PACE, with Mr. HOPE, with Mr. POAGE, Mr. ANDERSEN, Mr. HOEVEN, and most of the members who have been here during the past 11 sessions.

Gentleman, I am sincere about this thing and I want you to know it, and I think my testimony proves there is no politics in it with me. Anyone who plays politics with this proposition is playing politics with a thing that is the most important to the progress, the peace, and the prosperity of America, and I might say the whole world.

Mr. PACE. Thank you very much. You have given us a very excellent statement.

Mr. GRANGER wishes to ask a question.

Mr. GRANGER. I appreciate the statement of the gentleman. I think he has given emphasis to soil conservation, as he indicated in his statement, and he played down acreage control and price support. I believe if we spent \$1,000,000,000 in soil conservation for the next 25 years, it would cost us less in the long run than what it will cost us for price support, and for flood control, which will become more expensive every year. I certainly agree with you. We need a formula however to put in effect your recommendations.

Mr. JENSEN. I think we could spend \$1,000,000,000 here and be justified, if we had the money to spend, but I brought it down to a very sensible and proper figure, commensurate with what I think we can spend under present conditions.

I am not asking this committee to appropriate too much more money in addition to what we already appropriate for soil conservation, and compliance payments. The amount is up to the committee; but I do feel, gentlemen, that we have an opportunity, if we take hold of it, to stop all these silly plans, including the Brannan plan and the Aiken plan, and a lot of other silly, unworkable, un-American plans that have come before this committee.

We can head them off, they are not necessary if we carry on a good, common-sense soil conservation and balanced-agriculture program for the American farmer as I have outlined.

Mr. HOEVEN. Mr. Chairman, I know there are other witnesses to be heard this morning and so I shall not ask any questions at this time. I simply want to compliment my colleague for the great interest he has always shown in the welfare of agriculture and the conservation of soil.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, it is my purpose at this time to convey my feeling by reciting to you the excellent service rendered American agriculture by the distinguished gentleman from Georgia [Mr. PACE].

When the gentleman from Georgia came to this House he was assigned to the important Committee on Military Affairs. He served on that committee for some 2 or 3 years, after which time the Democratic majority of the Committee

on Ways and Means saw fit to place him on the great Committee on Agriculture. Since that time he has rendered to his district, his State, and the Nation most meritorious service. He is courageous, able, painstaking, and thorough in his work.

I would like to pay tribute to a great legislator and a great American, STEVE PACE, who has worked so diligently to bring before this body this bill which bears his name. This really is not the Brannan bill, even though I have received innumerable wires from Arkansas, and from my district particularly, asking me to vote against the Pace-Brannan bill. That is inspired mail. If they just knew what was in this Pace proposal they would not have wired me as they have.

If title I of the Agricultural Act of 1948 is continued the whole support price program is threatened and there is grave danger of its failing. That is because of the tremendous cost.

I have been asked time and time again about the cost of the Pace bill in comparison to the present program contained in title I. Let us compare, just for a moment, what would happen if the Pace bill does not go into effect and title I is continued for another year. What would be the situation? Under title I the Secretary of Agriculture can only do one thing on perishables and that is buy and buy and buy and stack the commodities up in great surplus quantities where they would be destroyed and not put into channels of trade and not converted to such admirable uses as the hot-lunch program in our public schools. There is no doubt in my mind, not the least doubt in the world, but that under the provisions of the Pace bill the cost would be greatly reduced. It would be approximately half, perhaps. Let me read the language which was referred to by my friend from Georgia on page 7:

In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices as prescribed by the Secretary may be required as a condition of eligibility for price support.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the distinguished ranking minority member and former chairman of the Agriculture Committee.

Mr. HOPE. If the gentleman thinks that this will save so much money, why does the gentleman want to limit it to three commodities. We have many other perishable commodities so why not turn loose and support all commodities?

Mr. GATHINGS. That is what the Aiken law would do and I am bitterly opposed to it. I think the Aiken law should be repealed. I say to the gentleman that we want to have this trial run and want to do it on these three commodities for a limited time. The provision of the amendment which has been agreed to by the majority of the Committee on Agriculture limits it to three commodities for a limited period of 2 years. We should try it out. Let me ask this question of the gentleman: Under title I there is no earmarking, there is no mandate. The Congress is not speaking to the Secre-

tary of Agriculture as to just what he can do specifically. Title I does not limit production of a given commodity. It was written at a time of scarcities and not a time of overproduction.

Mr. HOPE. If the gentleman is so confident as to what will be saved, I would think he would want to have the trial run apply to all commodities, instead of limiting it simply to three. I got the impression from what the gentleman said that he was so sure that we would save money.

Mr. GATHINGS. I am.

Mr. HOPE. As I was saying, the gentleman seems to be so sure that we would save money on this production-payment program.

Mr. GATHINGS. Absolutely.

Mr. HOPE. I am unable to understand why the "trial run" should be limited to three commodities. Why not try it on all of the perishable commodities?

Mr. GATHINGS. Let us try it out on three commodities as contained in the bill. We can come back later and expand it after it has been tried.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman keeps mentioning perishables and these three commodities. When did wool get to be classified as a perishable commodity?

Mr. GATHINGS. I want to tell the gentleman that shorn wool, was placed in this bill, as the only exception, because the Secretary of Agriculture came before the committee and asked that wool be included, that wool be named as one of the commodities he would like to make a trial run on. So our committee placed wool in the paragraph along with perishables upon which production payments would be authorized.

If the Pace bill is not enacted we would be right back here next year where we are today. The Committee on Agriculture has worked tirelessly on this legislation. Every phase of the problem has been studied. I hope that the committee bill will be agreed to.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, one of the peculiarities of this world is that it does not stand still, but is constantly changing. If our legislative programs are to be effective, they must meet the changing times. They must be realistic.

The face of agriculture has been altered since 1910 to 1914—by new machines, new crop varieties, new methods of farm management, increased productivity, and an increased dependence on other than local markets. Because of the tremendous changes that have taken place it doesn't make sense to support levels today on parity-price relationship that existed 35 to 40 years ago. And so it seems clear to me that we have to make the change contemplated in H. R. 5345

to bring support-price relationships up to date.

In a complex economy in which all parts affect all other parts, there must be a point below which it is not in the public interest to let farm income fall. That point, as envisioned by the Agricultural Act of 1949, would be, for the year 1950, a level of cash return which would give farmers as much purchasing power as they had on the average from 1939 to 1948, inclusive. Thereafter, the base period would move forward, always consisting of the first 10 years out of the past 12. Such a base period has the advantage of offering a reasonably current relationship. It is therefore much more realistic than the old parity base.

Since the beginning of the national farm legislation of the depression years we have had many statements of farm income objectives in farm bills. But, until now no one has proposed legislation that would really be effective in maintaining farm income as high as it ought to be for the good of our whole national economy.

Last year farm prices averaged well above parity—which might lead one to conclude that farmers were well off in comparison with nonfarm people. But when we check the actual income of persons on farms, we find that their per capita income totaled only \$909 as against \$1,569 for nonfarm people.

Let us put side by side—the bill we are now considering and the Agricultural Act of 1948—and see which would best serve all of the people. Let us examine them to see which gives more promise of preserving farm purchasing power—of encouraging abundant production and consumption—of protecting our basic land resources.

Title II of the Agricultural Act of 1948 would make price support available at levels ranging from 90 percent down to 60 percent of parity, depending upon the supply of the particular commodity.

The philosophy behind this legislation, in other words, is that lowering the support price will bring about a decrease in production. But the farmers of Utah and of the whole Nation know better than that. They know their agricultural history, and they know that some of the biggest crops in the last two decades were also accompanied by the lowest prices. Time and again falling prices have caused production increases. The basic philosophy of title II runs contrary to the economic facts of life.

But this is only part of the picture. The legislation enacted by the Eightieth Congress assures support only for commodities accounting for about one-fourth of gross farm income. It assures support on only one perishable, potatoes. It even prohibits the Commodity Credit Corporation from supporting other perishables.

That is the kind of program with which the Nation is now supposed to defend agriculture and the entire economy against the danger of a collapse of farm prices. Does it seem realistic or adequate?

Now let us take a look at H. R. 5345.

The first objective of this bill is to place a floor under farm purchasing power that will prevent it from falling

below the point of danger to the whole economy.

In 1950 this income floor would be a goal of slightly more than twenty-six billions—about 15 percent less than last year's dollar income—and about equal to the purchasing power that agriculture had in 1942.

Let us point out, however, that this is not, as many farm-program opponents have said, a proposal to guarantee farm income. It simply sets up a logical farm-income objective as a starting point.

Instead of restricting support to potatoes and a few storable commodities that bring in about one-fourth of total farm gross income, H. R. 5345 makes full support mandatory for corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool. These commodities account for a much larger proportion of gross farm income.

Which of the two measures is more likely to protect farm buying power? And which of the two programs is more likely to further abundant production and consumption of farm products?

The purchase method of support of perishables gives the consumer no price advantage when we have surpluses and therefore no incentive for greater consumption of commodities in surplus. Loans and purchases work well for storable crops. But for perishables we need a different method.

Under H. R. 5345, prices of three or fewer perishables could be supported by the Secretary of Agriculture through production payments. Market prices of these commodities would be permitted to fall to whatever level they would reach under the normal operations of supply and demand. Payments would be made directly to farmers to compensate for the difference between the actual average market price of these perishables and the support level. Thus consumers would have the benefit of temporary surpluses in the form of lower prices. Not only is this approach more realistic, it gives the taxpayer far more for his money.

Moreover, support through the production-payment method would make it possible to encourage larger production of some of the foods that consumers particularly need and want.

Finally, let me say a word about conservation. Despite the remarkable progress that has been made in conservation there is still much to be done before the Nation's future food supply may be considered safeguarded, and agricultural raw materials for industrial uses assured.

It takes good farm income to build and preserve soil resources. Though Government assists farmers in conservation, the biggest part of the burden inevitably falls upon the tillers of the soil. They cannot give their land the care and attention it needs, unless their returns from the land are adequate. Under title II of the Agricultural Act of 1948, farmers have no assurance of realistic income protection. They have a much more convincing assurance under H. R. 5345.

In the present situation no farm price support program is acceptable that does not provide adequate and realistic protection for farm purchasing power—the means to encourage abundant produc-

tion and consumption of the food and fiber needed for its national health and strength—and finally, effective conservation of our basic land resources.

On every one of these points, H. R. 5345 is far more adequate and more realistic—than the farm legislation passed so hurriedly a year ago.

Mr. Chairman, in this debate today I am not angry with anyone. I simply want to emphasize again some of the points I have already discussed, and to state that so far as the West is concerned the support program has been more theoretical than real. As a matter of fact, they have been almost entirely confined to other sections of the country. I want to give you the reason why I think this bill should be passed and what I think is the most essential part in it, as far as I am concerned and as far as western Members of Congress are concerned. It has been said, Why change something that everybody understands? I would like to ask any Member of Congress who has been here for a number of years talking about parity and 90 percent of parity to give me a definition of what parity is. The stock answer of it is that it is a formula adopted back in 1909-14. That was supposed to be the time when the earning capacity of the farmer and his dollar was about equal to the dollar he paid for the things he had to buy. Everybody understands it about that far. The farmers do not know any more about it than that. Nineteen hundred and nine was 40 years ago. Automobiles were then just coming into use. Tractors and power equipment were not known on the farms at all. We had not had any experience with fertilizers. In the cattle industry, the longhorn Texas steer was just going out of existence. What happened since then? Great amounts of money have been expended to improve both the production of crops and the production of livestock. It has been revolutionary. We do not do anything now as we did then. Who is to stand up here today to say that that relationship is in balance at all? We claim it is not. That is the difficulty we have here today. It is a difficult thing because whenever you advocate something new it takes 10 times as much argument and persuasion to get a new idea over as it does to chase down every objection. That is the difficulty we are having in explaining this bill. I am sure that if this committee understood what the bill is, we would have no difficulty.

As I say, that old formula never suited the West. It never did suit the wool people. It was never favorably looked upon by the stockmen. We have been trying to change it for the last 10 years, because it was not a fair parity formula for those commodities I have named, and many others.

Now, what does this formula do? I want my friends from the West to pay attention to this, and Members generally. We have complained bitterly that this old formula did not have any of the elements of labor in it. I have heard people condemn it because it did not have that feature in it. What does this new formula do? It simply brings the thing up to date. The formula is just as sim-

ple to understand as the old one. It says, in effect, "Mr. Farmer, you are going to have your fair share of the national income." The farmer can understand that just as well as he can understand 90 percent of parity. Whether he understands it or not is beside the point. What he is interested in is getting the price for his commodities.

This new formula we are talking about changes the emphasis from price and puts it on farm income, not 40 years ago, but today, making the relationship what it should be as compared between farm income and income for labor and industry.

Now, it is generally thought that during these times farmers are prosperous. The facts are today that he is not getting anywhere near what he should get. Do you know what his actual farm income is? Nine hundred dollars. What is the average income of all workers in the Nation? Fifteen hundred dollars. That is the difference.

Why are we here as farmers condemning a new formula that will put the farmer on a parity with other segments in society? And this bill will do it—it changes the formula, and it includes labor. They talk about labor—hired labor is included as it should be—it includes all hired labor. That is something to think about. That is something we have complained about all through the years, and that is one reason, if for no other, that I think every one of us ought to be for this bill, in order to establish a formula that will be fair to the farmer and to the consumer as well.

Now, about the whole bill. As I said, we are trying to convince people who have their minds closed, and it is a difficult thing to get anybody to rationalize over anything new, and this is a new thing. It is difficult to understand, but I want to say to you, and say it most humbly in the presence of my colleague the gentleman from Georgia [Mr. PACE], that I have not agreed with him on everything but we have been wrestling with this problem not to do injury to anyone, not to make a political football out of farm legislation. I deny anything of the kind. But he has worked all of us to a "frazzle." Day and night he has worked, and might I add—he is an intelligent worker. He has been most critical of everybody who came before the committee. He has not taken Mr. Brannan at his word, or anybody else; they have all had to show him. Any suggestion that he or the committee is fuzzy in their thinking does not exalt themselves in my estimation. He has convinced himself that this was the program that would be in the interest of the American farmer, and I agree with that. If this bill is not passed, if we do not have this bill that we are considering today, I renew my prediction that you will have nothing other than what you have today. The Aiken bill will come into existence, and I believe there is not one of us representing farming areas who wants that. So I plead with my southern colleagues. This primarily is their baby, we have in it cotton, tobacco, rice, peanuts—these I have always been willing to support, and

I shall fight on the floor if any attempt is made on the part of anybody to take any one of those commodities out of this bill. Each is important in the economy of the country, and I think they should be kept in as they are today. There may be those who wish to add other commodities and perhaps some should be added, I do not know, but as far as I am concerned I am opposed to any amendment to this bill no matter for what purpose it is offered. Whether it be the Gore bill, the Sutton amendment, or anything else, I am opposed to it. As far as I am concerned, win, lose, or draw, I am going to go down swinging and fighting for the bill that this committee has considered, a committee whose work has been done intelligently, for this is a bill which we can go before the country and the farmers and defend.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am a farmer. I have had the opportunity of working on these agricultural programs; I have seen how some of these programs have worked, and I think I know something about them. I also think I know something about how my neighbors feel. I would also like to say that I am a member of the Farm Bureau, and I know that there are a lot of Farm Bureau members in my State who are in favor of the program which has been proposed by Secretary Brannan. I know some of these people are going to be disappointed if the program Mr. Brannan has proposed is not put into effect. The program would be stronger, in my opinion, if more of the proposals he has made were put into effect; nevertheless, I am going to support the Pace bill because I think it is one of the soundest pieces of legislation that we have considered in connection with agriculture.

Mr. Chairman, sometimes we are a little inclined to overlook a few plain, simple facts. We talk about 16 years of experience with the agricultural program. My farmer neighbors and myself understood that when the war started we had a job in connection with the production of food. In order to produce this food, incentive payments were given to the farmers to get necessary food production. The farmers responded magnificently. From the experience of World War I some farmers expressed themselves as being reluctant, so the Government said: We will see that these price supports are extended for 2 years after the war to give protection to those who expanded their production.

My farmer neighbors and myself responded and we produced more food, in spite of an acute shortage of help and a shortage of machinery, a shortage of everything, than was ever produced before. We feel that the Government has lived up to its obligation.

We are convinced, however, that we are coming into a different period now, a period in which the world is not going to require all the agricultural production that we have had in the past. Perhaps the country will not require it. We are

concerned about the consumption of our agricultural products. We want the products of our farms and factories consumed. We know that unless we can get consumption of those products we cannot produce fully on our farms. My farmer neighbors and myself want to produce to the utmost, we want to market our products, we want to put our products into the hands of people who consume them. That is why we are favorable to the proposition made by the gentleman from Georgia [Mr. PACE].

I know that when our food goes into the market place that food must be consumed. Let me tell you the situation with which we are confronted, so far as eggs are concerned. We take eggs into the market and are repeatedly told—at least I have been told when I have taken eggs up to the market—by our local merchant, "We do not know what the Government is going to do in regard to the purchase of eggs." The people who deal in eggs in this country in the past few years have not dared deal in eggs the way they used to. They fear lack of stability in purchase programs. This affects the market. There have been many times when the support price that has been set on farm products has not been the minimum price but has been the maximum price.

Let us put free enterprise back into the agricultural program. It is purely and simply that. Anyone who has dealt in perishable commodities of any sort has been rather reluctant. My good friend the gentleman from Wisconsin, Mr. REID MURRAY, speaks of cheese, I might cite an example in connection with cheese. I have stopped at a number of cheese factories and they tell me they do not dare to properly age their cheese to make it as palatable as they would like to have made it. Why? Because they did not feel that they could depend on the Government to step in and purchase through a purchasing agreement everything that they needed to support the price of their product.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, in the consideration of H. R. 5345, known as the Pace bill, there comes to my mind two basic questions which I think should be answered by the proponents of this legislation.

These questions are: First, just what is so wrong with our present farm program—and by the present farm program I mean the farm program in effect in this year 1949—that it should be considered necessary at this time to enter into a new field which may prove to be dangerous to our agricultural and national economy in the future? My second question is: Suppose that Congress does go along with Mr. Brannan's ideas as to production payments—which today the consuming element of our population will of course welcome—and suppose that the Congress is requested to pass an ap-

propriation of anywhere from \$2,500,000,000 to \$8,000,000,000—then will the same consuming element of our population give like support to that appropriation as they are today giving to the Brannan plan, feeling that cheap food is in the offering?

Let me reiterate: Just what is wrong, basically speaking, with our present 1949 price-support program? Just why cannot correcting amendments be made to iron out difficulties in that program? Why discard it now?

Mr. Chairman, a year ago last January—along with the gentleman from Wisconsin [Mr. MURRAY] and the gentleman from Iowa [Mr. TALLE], I introduced legislation which provided for the re-enactment of the current farm price support program. I was also one of the few who stated on the floor of the House last June that I could not vote for the Aiken bill as it promised less than 90 percent support. It was pleasing to hear the gentleman from Georgia [Mr. COX], make the statement, under the rule, that his position coincides exactly with what I have proposed in H. R. 5279—introduced during this session. My bill simply re-enacts today's program and discards the Aiken provisions. Let me remind the House that we have today the following types of price supports: We have one type of price supports for the so-called basic commodities—corn, wheat, cotton, tobacco, rice and peanuts. They are being supported now. The level is at 60 percent of parity in the case of dark-air-cured tobacco and 92½ percent of parity in the case of cotton; the others at 90 percent of parity.

Then there are the so-called Steagall Act commodities—named after the late Henry Steagall, author of the act: hogs, chickens (more than 3½ pounds live weight), eggs, milk and milk products, potatoes, turkeys, edible dry beans and peas of certain varieties, soybeans and flaxseed for oil, American Egyptian cotton and sweet potatoes. Here again the support level is generally 90 percent of parity.

Then there are the so-called other commodities. That is a broad term. Wool is the main one but last winter this program covered dried fruit, winter cover crop seed, range grass seed, alfalfa seed, grain sorghums, oats, barley, rye and the so-called naval stores which are the resinous products—tar, pitch and turpentine. With regard to these other commodities, the Secretary of Agriculture is allowed considerable leeway in establishing support levels.

Then there are the so-called section 32 funds—which require that 30 percent of the gross receipts from customs duties each calendar year shall be set aside and given to the Secretary of Agriculture to encourage the exportation or domestic consumption or utilization of American agricultural commodities, especially those injured, price-wise, by imported competitive agricultural commodities. This program is especially important to our great perishable fruit and vegetable industry.

Important too, is another support program—the school lunch.

In addition to all of these, we have given the Federal Government broad au-

thority to set up marketing agreements and other programs with the direct intention of influencing or maintaining prices. Milk, tree fruits, tree nuts, and vegetables are the commodities most affected by this program.

And lastly we have the sugar program conducted under the Sugar Act. This is a subsidy program which allows sugar-beet producers about \$2 a ton. We have heard gentlemen make statements on the floor of the House today, which I know they cannot back up, as to the cost of our present farm price support program. They do not quote figures, but to hear them speak, our price supports have cost the taxpayers of America enormous sums. Let us look at the record.

During the hearings before our subcommittee on appropriations for agriculture this past spring, the question was asked by the gentleman from Oklahoma [Mr. STIGLER]:

With reference to your statement regarding the receipts received from the Commodity Credit Corporation, for the record, I would like to know whether or not it is operated at a profit all the time since it was created by an act of Congress.

See page 92, part I, Hearings on the Department of Agriculture bill for 1950. Mr. Roberts, budget officer of the Department of Agriculture, replied:

Mr. STIGLER, on the regular Commodity Credit Corporation loan and purchase programs, for which CCC was originally created, they have operated at a profit over the years. You will remember, however, that during the war years, the Commodity Credit Corporation was called upon to pay out funds in connection with what might be referred to as consumer subsidy programs. Those payments were not made for the benefit of farmers, they were paid primarily for the benefit of the consuming public and had the effect of keeping the retail prices to the consumer stabilized. On those programs, there were net loss of \$2,104,000,000. On the regular CCC programs, over the life of the Corporation, there has been a net surplus of 205.5 million dollars.

Mr. Roberts also testified that to restore the impairment of the capital stock of the Commodity Credit Corporation, the Congress provided for the cancellation of CCC notes held by the Treasury to the extent of \$1,563,000,000 during the fiscal year 1947. That represented losses of \$921,000,000 for the 15 months ending June 30, 1945, and \$642,000,000 for the year ending June 30, 1946, principally on the special wartime subsidy programs which were not a part of the regular price-support operations of the Commodity Credit Corporation.

In view of this statement of the budget officer of the Department of Agriculture, certainly no fair-minded man or woman will charge against the price support programs the bulk of the subsidies of \$2,104,000,000 required to be paid out by the CCC to help give the consumers cheap foods through the war period. The total cost of what we term price-support operations is scarcely one-half billion dollars over a 10-year period, in my opinion, Mr. Chairman. The average for each of these 10 years would not be \$59,000,000 per year. This is peanuts compared to what may be required under the Brannan plan. So, Mr. Chairman,

I again ask the question, just what is all the fuss and furore about today—why do away with our present price-support program which, in my opinion, has worked well for over 10 years and certainly should not be discarded for a purely political, vote-getting device, such as is embodied in the Pace bill—the trial balloon of the Brannan plan.

Now let us come to the second basic question, which I asked when I first obtained the floor, no one knows how much it will cost to put Mr. Brannan's program into effect—to subsidize the consumer—and have the general taxpayers of the Nation pay part of his grocery bill. We do know that this subsidy will be charged up to agriculture and will always be thrown up to us in that light. I have asked you—suppose we do adopt Mr. Brannan's plan—where and how are we going to get the money to keep faith with the farmers of the Nation after we have made them dependent for part of their income on a check from the Treasury of the United States?

My voting record in Congress shows that I for one am exercised about the threat of our stupendous national debt. I have voted against the reduction of taxes in times of prosperity. Most people who know anything about the subject will estimate that the fiscal year which ends June 30, 1950, will show our Treasury in the red to the extent of at least \$4,000,000,000, and remember that is without the money needed to put into effect the provisions of the Pace bill—much less the provisions of the entire Brannan plan. How will the people of America react next spring to the Secretary's request for funds out of the Treasury to make good the amounts necessary to cover whatever three commodities upon which he decides to experiment. Will my good friend the gentleman from Illinois [Mr. SABATH] then support an appropriation for whatever amount is required to keep faith with farmers of the Nation—under the provisions of the law which Congress would enact if it followed Mr. Brannan's theory. Would you ladies and gentlemen representing consumers districts support such an appropriation? The question is not so much—would, as it is, could we appropriate the money—in the face of a possible \$4,000,000,000 deficit. The farmer would hold the sack. Public reaction would be so strong against such an appropriation, in my opinion, that the Congress would have to turn its back on the farmers and refuse to give the money necessary to keep production payments in effect. The Brannan plan would then collapse of its own weight, along with agricultural prices. Mr. Chairman, I hope to see the present price-support program reenacted for an indefinite period of years. Remember, the Congress, in its wisdom, can at any time amend that act. Secondly, I hope to see the Aiken provisions—titles 2 and 3 of the 1948 Agricultural Act—repealed.

As has been said on the floor here today, if there are any friends of the Aiken section of that act, they are not very evident in their defense of its sliding-scale provisions which I personally

always opposed. Why not repeal it entirely and keep in effect the present price-support law which the Congress, at any time, amend and improve. We as farmers, and I am one of them, have prospered under our present price-support program. Just because Secretary Brannan, a lawyer by education, advocates a program carries no weight with me particularly. He may be right, but I believe he is wrong.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

(Mr. O'SULLIVAN asked and was given permission to revise and extend his remarks.)

Mr. O'SULLIVAN. Mr. Chairman, the Pace bill has been and will be fully presented to you. I feel that I should in the time allotted to me discuss with you now some of the recent big criticisms of the Brannan plan, and endeavor to explain what the Brannan plan really is, as I view it.

At the outset, in order to keep the record straight, the people of the Second Nebraska Congressional District have voted in favor of the Brannan plan 5 to 1 to date, which is contrary to what my colleague the gentleman from Nebraska [Mr. MILLER] claimed earlier today.

In a newspaper article which appeared in the Washington Star on Sunday, July 10 last, a writer by the name of Gould Lincoln made this statement:

The Brannan bill gives the Secretary of Agriculture dictatorial powers over the farmers.

Secretary Brannan could, if he believed it necessary, cut a farmer's crop in two! Quite a power to place in anyone's hands.

Frankly, I do not believe I can recall a piece of legislation about which there has been so much incorrect information circulated as there has been about the so-called Brannan plan. In the first place, under the production payment provision of the Brannan bill, the Secretary of Agriculture cannot force a farmer to do anything. Let us get that straight. The Secretary cannot force a farmer to do anything. Of course, if a farmer did not comply with the Secretary's production goal, that farmer would not receive the so-called production payment which would be received by farmers who did comply.

Now is there anything dictatorial about that?

Maybe our newspaper friend had marketing quotas in mind when he said the Secretary could cut a farmer's crop in half. If so, he is wrong there, also, because marketing quotas are voted by two-thirds of the farmers themselves.

It should be pointed out that the so-called production-payment plan in the Brannan bill is especially designed to apply to the perishable crops. Mr. Brannan has stated repeatedly that he has no intention of disturbing the time-honored method of handling price supports in the so-called basic crops of cotton, corn, wheat, and so forth. Under the present law price supports are provided through Government loans on these storable commodities. But so far as the perishable crops are concerned, the Brannan bill is the best proposal that has ever been

put before Congress, consistent with at least some freedom of action on the part of the individual farmer, and it deserves a fair trial.

The production-payment plan surely cannot fail to be an improvement over the Irish potato program of the past 2 years, which Mr. Brannan had no part in bringing about, except that his Department was not superhuman enough to foresee the heavy increase in the per acre yield of Irish potatoes and the doubling of rows of potatoes with increasing the acreage.

Mr. Brannan has asked for a trial run for his production-payment plan, on a few commodities. Let us give it to him and see what happens. It certainly is better than doing nothing and bankrupting the farmers and the Nation for sure, as we did in 1932.

The only alternative is to fix by law minimum prices and production controls on the perishable crops. This would not cost the taxpayers anything, in the way of production payments, but certainly would be dictatorial, although no more dictatorial than a traffic light at an intersection, which, in effect, says to the motorist: "Since you get protection through me, you must comply with my mandates."

However, since the American farmer is apparently not willing, at least at this time, to accept such rigid controls, let us give the Brannan plan a fair trial.

It was indeed an unholy and an ill-spent day when Nebraska's junior Senator in the other body spoke on June 23, last, at the Creighton, Nebr., Diamond Jubilee, at which time and place he made the solemn pronouncement that he saw the Brannan agricultural plan "as a monstrosity."

The Omaha World-Herald, which some well-informed newspaper people say is really the greatest news stifling, unfair, and blindly reactionary newspaper in the United States today, in a two-column headline spread, set up in the big type one often sees in the springtime on corner telephone poles in remote country districts, where a proud owner is advertising the particular merits of his favorite breeding jack or horse stated: "Brannan's ag plan is a monstrosity — declares" — (naming Nebraska's junior Senator in the other body.)

What that newspaper and its legislative ideal does not know and never can seem to know or realize is that the identical language used in reporting that Creighton, Nebr., jubilee occasion so aptly seems to describe Republican reactionaries and their doings.

It is an old truism that the persons who know the least about a subject generally argue the most vociferously against it, and in the instant case that certainly is exceedingly true.

One of the all-knowing Nebraska public servants has been so busy selling the living furniture, burying the dead in three States, running an ambulance service, practicing law, and engaging in so many other diverse business activities, which include four attempts at rejuvenating the impotent, crippled, diseased, and big-business, locoed-Republican

Party that he just has not had the time to give the farmer and farm problems any attention at all, until his own election rolls around. So do not be too hard on him, friends, for there is a limit to what a human body can soak up as far as the farm problems of Nebraska and the Nation are concerned. The Creighton, Nebr., speech was just another political dud, but a little duddier than usual.

I am a member of the House Committee on Agriculture, and Nebraska's spokesman, afore-mentioned, has nothing whatsoever to do with any Committee on Agriculture.

This is what I have to say about the Brannan farm program, and in so doing I shall not go into the matter of the mechanics of the different formulae under which the farmers shall receive payments but will consider the general theory of same only.

In theory, to my mind the Brannan plan is a proper and a correct program to those who study it rightly with a normal nervous system, and an ordinarily adequate vision. Of course, if you have to look at it cross- or cock-eyed, or have a disturbed nervous system which creates a monstrosity, then it is another thing and you might very well see it in a wild-visioned monstrosity light. Just bear in mind that there are mental conditions where one may actually see elephants, and even monstrosities, that are not, and never were there—that never had any factual existence. Those sort of cases are not uncommon. I ask you who in the world would want to follow bad-visioned leadership, monstrosity-seeing leadership, or uninformed leadership.

If I ever begin to see monstrosities where they do not exist, I want my friends to take me pronto to a sanitarium and get the right kind of a doctor for me quickly. I do not want to walk around in that condition and try to pass laws. I want to be locked up and be given treatment.

My way of visualizing the Brannan farm program may be a little out of the ordinary, as most things that I do are, but I believe everyone who can or will listen to or read what I am about to say about it can also not only understand it, but can carry it with them, and be able to relate it to others, and if need be controvert the claims of extreme right-winged, bad, big business and others.

Just sit down in your room and look up at the upper right-hand corner of the wall which you face. That is the place which agriculture occupies or should occupy—not up in the air, like it is now, but in a highly preferred position in our country's economy. Agriculture should be placed and maintained in a most favorable position. Our national economy is geared to agriculture and not to anything else. When agriculture prospers, the whole country prospers, and when agriculture has a depression, the whole country has a depression.

So, for the sake of the economy of the country the farmer must be provided with good, adequate, steady income for

his efforts. He must be given not sporadic, but a steady flow of purchasing power, so that he may not only buy the necessities of life but also the comforts and conveniences of life, even the better things of life, and in fact all of the things which make farm life livable and preferable. In this way the farmers will stay on the farms instead of rushing to the cities, particularly during depression periods, and creating an irresponsible and gullible large labor pool to the detriment of city workers, and to the extreme delight and satisfaction of the enemies and enslavers of organized labor. Thusly you succeed in getting city labor stabilized to a degree by avoiding a glut of manpower in employment areas away from the farms.

Most farm homes are not up to date in comparison with city homes. If farmers had the purchasing power they, I am sure, would bring their homes up to the standards of city homes, and purchase all the necessary conveniences and make the improvements necessary in the home and farm site which would make the farms more enjoyable and livable. This would tend to keep the young folks on the farms and away from the cities, and remove the drudgery and hard work and hard living from the lives of farm wives and farm women.

Now fix your gaze at a point midway between the upper right-hand corner of the room where we have placed the farmer, and the upper left-hand corner of the room. Under the Brannan plan I think that is where industry would be, which is not just up in the air, but on the contrary in a preferred place in our economy. If the farmer has the purchasing power he will be the greatest market for the products of industry. The farms would be an almost virgin sales field for industry. The purchasing power given to the farmer would make the wheels of industry spin for a long time. A large share of the money of the farmer would pass to the left to industry and make it prosperous too and give it also purchasing and particularly employment power.

Now move your gaze to the upper left-hand corner of the room. That is the place which labor would occupy—not up in the air, as it is now, but also in a highly preferred position. I feel that this is the place where the Brannan plan would put labor, and industry would pass a part of the farmers' purchasing power which it had received to labor and labor could thus enjoy steady employment at high wages and this would give labor purchasing power also to buy the products of industry and agriculture. It is to be seen readily that a part of this purchasing power given to the farmer would go to industry and a part of what industry received would go to labor and not one but three large groups, the farmers, industry, and labor, would enjoy the benefits of the money guaranteed to the farmer under the Brannan plan. These three groups I believe compose the majority of the people of the United States. Every mill run, fair-minded, thinking farmer, regardless of his political faith, should see and knows this. Every mill run fair-

mind thinking laborer, regardless of his political faith, sees and knows this. However, smart American extreme right-winged big business cannot seem to see and understand the advantages and the benefits which both little and big industry could have without the asking, without any effort on their part, from the Brannan plan. I think sometimes extreme right-winged, bad big business really wants to keep the farmers and the laborers divided and enslaved and keep the farmers rightful profits flowing into their ignoble one-way pockets.

Extreme right-winged big business just closes its wild eyes, flails the air with both fists, and kicks with both feet, and voids in both ways, and squalls like a spoiled child, and sheds copious tears, and hysterically cries out in a 7-pronged voice, it's communism, it's socialism, it's statism, it's paternalism, it's against our free-enterprise system, it's bad, it's a monstrosity, and it enslaves and regiments the farmer when that is just what extreme right-winged, bad big business has done and has tried to do since the memory of man runneth not to the contrary. It is afraid to say which one of the seven the Brannan plan is, because then most any fool could reduce the contention to an absurdity. Mass production has thus been brought before the American people in the form of the most senseless, silliest diatribe ever indulged in heretofore and big business screeches and wails and sets up a senseless patriotic fuss and nonsense through the false leaders of the Republican Party, and a few apostate Democrats and hopes to win the day. Bad big business is unmindful of the truism, When reason is lost, the cause is also lost, and all things human and divine are also lost.

It whines and wails for new markets but it does not want them at home. It has an ocean-going mind. It wants to sell its manufactured articles to ECA. It wants to feed starving Europe and the rest of the gaunt and hungry world abroad, with washing machines, wringers, electric irons, hair curlers, wash tubs, farm machinery, monkey wrenches, and all of the hundreds of other articles which it manufactures. When the people are crying for bread in those most desolate lands, its advanced designing mind wants to give them ironmongery instead of the biblical stones. If I did not have any better business mind than that I would quit assuming an erect posture and would drop down on all fours and like the pensive old King Nebuchadnezzar, in his penitential mood, eat grass like an ox.

Now, right on the floor of the room in which you are sitting, that floor may be used to illustrate another great group in the economic life of our country recognized under the Brannan plan, and that is the consumer. You and I and every other person belong to that consumer group. Under the Brannan plan, with agriculture, industry, and labor stabilized, the prices of food products could seek their own proper level without in any way harming either agriculture, industry, or labor. Prices could and would come down, and everyone would welcome that sort of a happening.

Heretofore the only way that the price of food or other commodities could be

reduced was by either cutting down the price of agricultural commodities or the wages of labor. In the three-horse hitch, agriculture, industry, and labor, never once has the profits of industry been reduced in order to reduce prices. Poor agriculture was most generally the victim and sometimes labor was also. Do you not see that the Brannan plan provides the decent way to reduce prices by giving the farmer the so-called subsidy, and that has never been done or thought out before, and bad big business is sorely sick, I guess, because the Republican leadership did not think of it first.

In the past, extreme right-winged big business has never played fair to either agriculture or labor, or to small business, or to the country generally. It has always endeavored to amass huge profits at the expense of agriculture and labor and small business, and its prime purpose other than making inordinate profits has been to create chaos and ruin in agriculture and in labor and in small business. It has falsely tried to wear the diadem of a creator of all things good, and it has never created anything at all but ultimate ruin for others. Agriculture and labor and small business have now and have always been the real creators—the real builders of this Nation. Extreme right-winged big business in America has just been an ill-mannered, selfish, bawling, whimpering, thoroughly spoiled, overgrown boy, and it is high time for it to wake up, and grow up, and assume a manly mien and manly decency also. I am sure that it will do just that, because it has seen come into being nationally a Four Club, Eight Club, Sixteen Club, and Twenty Club, and there will be a Twenty-four Club, too; and if 20 years of the rule of the people has not convinced this recalcitrant and erring group that they have pursued the wrong course, then their cause is hopeless.

As a member of the House Committee on Agriculture, I say that the majority of that Committee on Agriculture has presented to the Congress the Pace bill, which repeals the Aiken law. This legislation contemplates putting into effect right now a better farm program; and in order to work out the mechanics, or formulate a correct procedure for the Brannan plan to follow when it is enacted ultimately into law, there will be a trial run made on the three farm commodities—wool, eggs, and potatoes—and after that trial run has been had on these three items, we will all know whether the splendid theory of the Brannan plan can be worked out in practice, the approximate cost of same; and if it is demonstrated that it is workable and not too expensive, the road-block type of Republicanism will pass into the political discard forever, and I fear that the great Republican Party will be dragged by these road blockers to its death also, a thing which I would regret greatly, because this Republic contemplates two strong political parties which have the welfare of all of the people of the Republic at heart, and not the financial welfare of a favored, un-American few.

The Pace bill will do away with Government purchases on the open market in order to keep the prices of farm prod-

ucts up, which in the past has proved to be very bad, as our experiences in the purchasing of potatoes where \$498,000,000 has been spent, and for eggs where over \$128,000,000 has been spent, and for wool where about \$80,000,000 has been spent. Still we do not know how much more will have to be spent on these programs and yet our opposition wildly cries out, "What will the Brannan plan cost? Tell us, please?"

Of course, in the making of purchases, the Government, like every other proper buyer who desires to hold these products for a while, buys the best. This leaves the inferior or lower grades of potatoes and eggs for the consuming public, and will also, if followed out, in the future bankrupt the Nation and lead to the eventual destruction of the whole parity system for agriculture. Who wants to throw agriculture to the extreme right wingers in that fashion? I am sure I do not.

The Brannan plan would eliminate the middlemen who farm the farmers.

The right wingers have captured the national offices of every farm organization but the Farmers' Union. They have captured the national offices of the Meat Producers' Association and defiantly are using these organizations against the best interests of the farmer members of all of these organizations. Do not let them fool you by their present attitude toward the Brannan plan.

The Pace bill and the Brannan plan would pay a farmer for producing and throw aside all of the old wrong theories about paying agriculture to destroy growing crops and livestock or pay farmers for their idleness or for keeping their lands unplanted.

The Pace bill is a good bill for agriculture and the unselfish of the Nation, and should be enacted into law.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, had come to no resolution thereon.

HOUSE OF MEETING TOMORROW

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had adopted the following resolution:

Resolved, That the Senate has heard with profound sorrow of the death of the Honorable Frank Murphy, late an Associate Justice of the Supreme Court of the United States.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and the Supreme Court and transmit a copy thereof to the family of the deceased.

7-21-49

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Bristol Courier of July 19, entitled "Arms and Pump Priming."

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague, Mr. LEFEVRE.

Mr. WHITE of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FARM LEGISLATION

Mr. WHITE of California. Mr. Speaker, I hope every Member of the House will read in yesterday's CONGRESSIONAL RECORD the shocking revelation made by the distinguished gentleman from Georgia [Mr. PACEL] in which he disclosed that the president of the National Farm Bureau Federation, one Allan Kline, has been deliberately spreading false propaganda in regard to the so-called Brannan plan. Every Member of Congress from a district where a Farm Bureau organization is located has received telegrams from the Farm Bureau denouncing the production-payment provision of the Brannan plan. Yet, the gentleman from Georgia [Mr. PACEL] quoted from the official Senate and House hearings where Mr. Kline had not only approved but had actually advocated the principle of the Brannan plan.

I know that the farmers of America will agree when I say that it is time for the Farm Bureau to change its leadership and get a man who will not consider the interest of the American farmer as secondary to the interest of the Republican Party.

EXTENSION OF REMARKS

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LIBRARY OF CONGRESS AWARD TO EZRA LOOMIS POUND

Mr. JAVITS. Mr. Speaker, we hear much about the infiltration of Communist ideas, but too little about the infiltration of Fascist ideas. Last February Ezra Pound, who was then under an indictment for high treason, the prosecution of which had been suspended because he had been declared insane, was awarded the Bollingen Library of Congress \$1,000 prize for the highest achievement in American poetry in 1948. Ezra Pound's indictment was for aiding and abetting Mussolini and the Fascist enemies of the United States in World War II. Since then a controversy has raged in literary circles over the propriety of

this award and the Librarian of Congress has found it necessary to justify it in an extended letter published recently in the Saturday Review of Literature. My colleague, the gentleman from Connecticut [Mr. PATTERSON], has inserted all the material on the controversy in the Appendix to the CONGRESSIONAL RECORD, of July 19, 1949.

For the literati the question is whether art has anything to do with the character of the man who creates it, but for us the question is whether the 15 appointees of the Librarian of Congress who made this award, called Fellows of the Library of Congress in American Letters—one of whom incidentally is a British citizen though United States born—appropriately represent the people of the United States of whose will the Library of Congress in one expression; for the Librarian of Congress specifically states "every step was taken to insure that the prize, when awarded, would in fact be that of the Library of Congress made on its own responsibility." Under these circumstances I urge that Members on both sides of the aisle join with Mr. PATTERSON and me in calling for an investigation by the House Administration Committee, which has a Library Subcommittee under its general powers of oversight over the operations of the Library of Congress.

We have heard much—and rightly—about the dangers of communism to our democracy and congressional committees are quick to investigate them; the dangers of fascism are just as great and need just as much examination. I have today written the following letter to the Hon. MARY T. NORTON, chairman of the House Administration Committee, which has oversight over the Library of Congress, demanding an investigation of this situation:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 21, 1949.

Hon. MARY T. NORTON,
Chairman, House Administration Committee, House of Representatives,
Washington, D. C.

DEAR MRS. NORTON: Reference is made to the ward by the Fellows of the Library of Congress in American Letters, a board of 15 appointed by the Librarian of Congress, to Ezra Loomis Pound of the \$1,000 prize for the highest achievement in American poetry in 1948. At the time of this award, Ezra Pound was under indictment for aiding and abetting Mussolini and the Fascist enemies of the United States in World War II. Prosecution of this indictment had been suspended because he was adjudged insane.

I have been investigating this matter since early June. I had deferred action pending the explanation of the Librarian of Congress which was published in the Saturday Review of Literature recently, as this journal had brought out the whole situation. My colleague, Mr. PATTERSON, of Connecticut, has inserted all the material bearing upon this award as revealed by articles from the Saturday Review of Literature and Mr. Evans' reply in the Appendix of the CONGRESSIONAL RECORD of July 19 on page A4824.

For the literati the question is whether art has anything to do with the character of the man who creates it, but for us the question is whether the 15 appointees of the Librarian of Congress who made this award appropriately represent the people of the United States, of whose will the Library of Congress is one expression. The Librarian

of Congress specifically states in his letter of reply referred to above that "every step was taken to insure that the prize, when awarded, would in fact be that of the Library of Congress made on its own responsibility."

Your committee has a library subcommittee. Among its other responsibilities your committee has legislative oversight over the Library of Congress. The circumstances call strongly for an investigation by your committee of this situation. We hear much about the infiltration of Communist ideas and congressional committees are quick to investigate them. Must we not be equally diligent to investigate the infiltration of Fascist ideas especially in so august an institution as the Library of Congress?

I would appreciate very much your advising me at the earliest possible time whether your committee will undertake this investigation as I will have a number of witnesses who will desire to be heard.

Sincerely yours,
J. K. JAVITS, Member of Congress.

EXTENSION OF REMARKS

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHICAGO TRIBUNE PURCHASE OF WASHINGTON TIMES-HERALD

Mr. VURSELL. Mr. Speaker, many Members of Congress will be greatly gratified to learn that Col. Robert McCormick, publisher of the great Chicago Tribune, has purchased the Times-Herald of Washington, D. C.

This will afford Colonel McCormick an opportunity to render a still greater service to the Nation by disseminating on Capitol Hill and on the eastern seaboard through the press, the policies of Americanism which the Chicago Tribune has championed for over a century in the Middle West.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Barrett, Pa.	Dolliver	Norrell
Bland	Eaton	O'Neill
Buckley, N. Y.	Engle, Calif.	Powell
Bulwinkle	Fellows	Rains
Byrnes, Wis.	Gilmer	Reed, Ill.
Case, N. J.	Hart	Rivers
Chatham	Hays, Ark.	Roosevelt
Chipherfield	Heffernan	Sabath
Chudoff	Hollifield	Shafer
Clevenger	Kennedy	Staggers
Crosser	McDonough	Stanley
Davenport	McGregor	Stigler
Davies, N. Y.	Macy	Thomas, N. J.
Dawson	Morrison	Towe
Dingell	Moulder	Withrow
Dollinger	Murphy	Woodhouse

The SPEAKER. On this roll call, 379 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 289, Rept. No. 1086), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 29) to amend the Agricultural Adjustment Act of 1938, as amended, to provide parity for tung nuts, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5345, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from North Carolina [Mr. COOLEY] had 35 minutes remaining, and the gentleman from Kansas [Mr. HOPE], had 29 minutes remaining.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. REGAN].

Mr. REGAN. Mr. Chairman, the annual memorial services for deceased Members were held on May 25. Under the resolution adopted for the program, all Members were given 60 legislative days within which to extend their remarks without the necessity of obtaining permission. Only a short time remains for those Members who desire to extend their remarks to include eulogies on any of our departed colleagues. This is merely to call that to the attention of some Members who may not have realized the time has passed so quickly.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, on yesterday the author of the substitute bill, the gentleman from Tennessee [Mr. GORE], referring to the passage of the committee bill, stated:

I do not think we should take this leap in the dark.

Let us see just who, if anyone, is taking a leap in the dark and why.

I cannot speak and I will not attempt to speak for my Republican colleagues. Their record on leaping in the dark goes back to 4 o'clock in the morning, June 20, 1948. The Aiken bill was indeed passed in physical as well as mental darkness early that Sunday morning. Unfortunately, it seems to me, there still lingers some mental darkness about that bill. Certainly I am sure the gentleman from Tennessee would not come here and suggest the continuation of that bill had he dispelled the mental darkness which now undoubtedly befalls him and that undoubtedly befalls some other members of this committee. Certainly, the gentleman from Tennessee, had he but directed the sunlight of intelligent study upon the Aiken bill, would not be before us today to ask us to reduce the floor on cotton from the 27.99 cents per pound that this committee bill provides to the 16.25 cents per pound bottom floor provided by his measure. That is just what he is doing. His substitute proposes to continue the Aiken bill.

Surely, had he dispelled the mental darkness, he would not come before us and ask us to reduce the effective floor under corn from \$1.46 to 85 cents a bushel.

Surely, had he dispelled that darkness, he would not have asked this committee to reduce the effective floor under the price of wheat from \$1.88 a bushel to \$1.09 a bushel. I say he would not have done that, because I know the gentleman from Tennessee is interested in maintaining a sound farm economy and in maintaining a sound national economy. I am sure that every member of this committee knows that you cannot let the price of wheat drop down to a dollar and keep your factories running and keep your labor employed. It cannot be done. It has been tried. But this Aiken bill, which was passed in darkness and perpetuated in darkness, is based upon the false philosophy that you should control the farmers' production, not by having a referendum among the farmers, and not by letting the farmer decide if he wants to grow a commodity or not, but that you should control the farmers' production by lowering his support prices. It assumes that as production goes up, support prices will drop until you starve the farmer into submission and bring him in line with the views of the bureaucracy in Washington. Yet there are members of this committee who, in the darkness, mental as well as physical, have come before this committee and within the past 24 hours, and have talked about regimentation.

Nowhere in the legislative history of this Nation have we seen a more drastic type of regimentation than is continued under the substitute bill to be offered by the gentleman from Tennessee [Mr. GORE]. It attempts, not by the vote of the farmers, but by edict from the Department of Agriculture, to cut the support prices as the supply of the commodity increases, and in that way try to starve the farmer and hold the price of his cotton down, down until it gets to 16 cents. With present-day wages you know he can no more than pick and gin his cotton for that. Under the Gore proposal his support floor will go down to

the point where the farmer will starve. Then you say he will go out of business. The experience of the past is that even this drastic formula will not work. As prices go down farmers actually plant more in a pathetic effort to hold income up. But even if it would work, even if you could control production in this cruel and heartless as well as undemocratic manner, you must remember that when the farmer starves and when he goes out of business in that way, you close your factories in Detroit and you bank the fires in the furnaces of Pittsburgh, and you stop the flow of commerce down Broadway in New York. You stop the economic life of this Nation when you apply that Aiken philosophy of control through starvation.

That is the philosophy of the Aiken bill and it applies that philosophy without anybody's vote because it is automatic. It is direct bureaucratic action to the 7th degree. I challenge the supporters, if there be any, of the Aiken bill to explain why they did not give the farmer a voice when they proposed to cut those support prices on his commodities.

So much, Mr. Chairman, for the darkness of that June morning in 1948. What about the pending committee bill that the gentleman from Tennessee so vigorously condemns as being a leap in the dark? Your Agriculture Committee started 2 years ago to dispel the darkness. Our committee traveled all over the Nation holding hearings from one end of the country to the other, talking to farmers and traveling by bus, train, and private car. There was pretty unanimous opinion among those farmers. They thought that the present program was working very well, so far as storable commodities were concerned.

They expressed their desire to continue it as far as storables was concerned, but not one defended the present program as far as perishable commodities was concerned, because they could not defend it. So we came back here and on the first of the year we had before us this evidence:

First. The program is good, as far as storables is concerned.

Second. It is a total failure as far as perishables are concerned.

So we started out with the idea that we would do well to retain that part that had been found good. The gentleman from Georgia [Mr. PACE] introduced a bill to hold all those portions of the present program which had proven workable. At the same time we set about dispelling the darkness relative to the unsuccessful part of the program. We held 6 months of hearings, and we got at least some light on the problem of perishables. At least we got more light than the gentleman from Tennessee. We know that the present program is good on storables and the committee bill extends that program. We got light on the program for perishable commodities to the extent that we know that it is bad. But nobody on that trip and nobody on that Sunday morning told us how we could handle those perishable commodities. Probably because none of them knew. So we started to work trying to determine if anybody knew how

to handle perishable commodities. After 6 months of hearings, most of them extending through both morning and afternoon—I do not think any committee has gone into any subject more exhaustively—this committee decided that we at least could offer a suggestion as to how to handle perishable commodities. We do not claim to know we have the only true and final answer, but we do claim we have an intelligent suggestion. The gentleman from Tennessee [Mr. GORE] brings us no suggestion. The Republican Party brings us no suggestion. They say, "Go on and lose \$400,000,000 on potatoes." Go on and lose \$80,000,000 on eggs. Go on and lose on every perishable commodity on which you make a purchase. Continue to throw the Government into bankruptcy."

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I cannot yield. I have only a few minutes. "Go on and lose." That is the only answer they gave us, and that is the only answer they give us in this substitute bill.

Believing that we had an obligation to the Treasury of the United States, believing that we had an obligation to the taxpayers, this committee comes forth with a bill that does continue all that has been tried and proven good. It does continue in the law everything that experience has shown is good, to wit, a support price on storable commodities. In addition, we say, let us try a new and we hope a better program; let us try something and see how it will work, as to perishable commodities, without at the same time bankrupting the Government.

It is true Senator AIKEN says he knew he had a proposal to do exactly the same thing, not for three commodities, but for all commodities. That authority, my friends, is in the bill of the gentleman from Tennessee [Mr. GORE]. He now proposes to extend the direct-payment plan on every and any commodity, without limit either as to time, crops, or money. The sky is the limit under his bill. But our committee is a little more conservative than that. The Committee on Agriculture felt we had better go a little slow about this direct payment plan; that we should not try it on everything at one time. Let us see how it works on three commodities. If we can find a program that will work without costing the Government hundreds of millions of dollars, that the present program on perishable commodities costs, we have done a great thing for this Nation. We will have enabled the Government to maintain a long-term program on both perishable and storable commodities. And let me remind you, my colleagues, we cannot hope to maintain our program on storable commodities if we let the losses continue to multiply on perishables. If I had nothing more than a selfish interest in this bill, I would seek a more workable program for perishables, because I know as you know that if we are to enjoy a continuation of the supports on cotton and wheat, we must extend similar consideration to those who produce fruit, vegetables, milk, meat, and other perishables. And more than that,

we must give the taxpayers a program on these commodities that will not result in the kind of losses we have recently sustained on potatoes. The committee bill offers this kind of program. The substitute makes no effort to lessen these losses.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, I have only 5 minutes to discuss this question on which, even with the able discussion which the question has had on this floor, a man should have an hour. But I do want to thank Mr. POAGE and Mr. COOLEY for their kindness and consideration in extending me 5 minutes which I have at the present time. I do want to ask gentlemen not to interrupt me or ask me to yield during that time because I have only 5 minutes and I do not have time to yield.

I do want to say regarding my colleague from Tennessee [Mr. GORE], that I want to recommend to the Republicans of this House, any time you Republicans want a good Republican speech made, I will recommend that you call on the gentleman from Tennessee to make it, because he has better technique along that line than any Republican I have heard speak on this floor.

I want to refer to some figures that were put into the RECORD on July 14, on page A4720. These figures were put into the RECORD by the gentleman from Pennsylvania. Knowing my colleague from Pennsylvania as I do, I know that the figures are very authentic and very reliable. I am referring to my colleague, the gentleman from Pennsylvania [Mr. RICH]. Those figures show that in 1919 the farm income of the United States was \$14,000,000,000. In 1921, just 2 years later and after Warren G. Harding had been President of the United States for 1 year, that was almost halved; it was eight billion one hundred million. Then, in 1932, at the close of Mr. Hoover's administration, the half was halved and it was \$4,700,000,000. I was living and farming out in Missouri when those things were happening in 1922. I was selling corn for 26 cents a bushel. Just after World War I closed we had a farm depression out there that bankrupted the farming industry and we had it just as soon as Woodrow Wilson ceased to be President of the United States.

I lived through those days. Hundreds and thousands of men and women in my country who were good farmers, who had helped produce the food and fiber that won the First World War lost their homes, lost their implements, lost everything they had. I was one of them. I used to blame myself for it, but I know I was not to blame. I was a young man and had an abundance of strength and I said: "I will not let this depression whip me." I bred more sows, I raised more

hogs, I milked more cows, I sold more wheat; but the more I did the poorer I became, and I wound up in the early thirties sledging rock in a WPA quarry. I am one of those WPA workers who leaned on a shovel handle. I am not proud of it, but I am also not ashamed of it. I was doing the best I could then under the circumstances, and I am still doing the best I can now under different circumstances.

What was happening on Capitol Hill when those things were happening to me and my neighbors? I will tell you what was happening up here on Capitol Hill: This House and the Senate were passing the McNary-Haugen bill. It was vetoed three times by Republican Presidents. Why? Because they were afraid. The Republican Party has always been afraid. They were afraid of the New Deal legislation. I saw something yesterday that was new under the sun. I would like to have had old Solomon witness what happened here in the House yesterday: Republicans getting up here and defending the Roosevelt New Deal farm plan. I witnessed that yesterday. I never expected to live long enough to see that, but I saw it yesterday right here on the floor of the House, they were telling us this program was perfect, that it could not be improved. If that is not something new under the sun, what is? They were afraid then; they are afraid now; they are afraid to let Charley Brannan try out his plan on even three commodities. But they are afraid for a different reason from the one they proclaim. They said they were afraid it would not work; I say they are afraid it will work. It must be tough to have to go before your constituents and tell them that your party has always been opposed to everything; to have to tell them that your party has not conceived, sponsored, and brought into being a plan or program to maintain agricultural purchasing power at any time since Civil War days. It must be tough for Republicans to have to tell their constituents that through the years they have been against everything and for nothing.

If I ever offer an amendment on the floor of this House and 75 percent or more of the Republicans support it I will know immediately that I am wrong.

One gentleman from the Republican side of this Chamber said he hoped that if the Brannan plan became law, even on a trial run, that milk prices would drop to 10 cents per quart. I want to remind that gentleman that the last can of cream that I sold under Republican administration brought 9 cents per pound for the butterfat it contained.

Another gentleman said his wife was paying 9 cents per pound here in Washington for potatoes but he is still unwilling to let Mr. Brannan have a chance to do anything about it.

Republicans know that the time is at hand when they can no longer tell the farmer that the laboring man in the city is his enemy. The city laboring man has come to realize that the farmer feeds and clothes him and his family, and in addition furnishes the best market in the world for the products of labor.

The farmer has also reached the place where Republican propaganda condemning the laboring man in our cities is no longer effective. The farmer realizes that the laboring people of the United States must have employment at good wages in order that they may earn the money to buy the food and fiber produced on American farms.

I have consecrated my life, or at least what little is left of it, to preaching the gospel of unification of labor and agriculture and I feel sure that the time is at hand when no amount of propaganda will convince the farmer or the city laboring man that their interests are divergent or that one can profit at the expense of the other.

I do want to refer to the remarks of the gentleman from Ohio [Mr. SMITH]. He probably thinks no different from many other Members on the minority side of this Chamber but he does have more courage than the most of them. He has said today on the floor of the House that it was his desire to save the children of the United States from enslaving and demoralizing effects of all the New Deal measures. I judge from these remarks that it is not his intention to vote for a measure that he has been condemning for almost two decades.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HOPE. Mr. Chairman, I yield such time as he may need to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman and Members of the House, the necessity of maintaining a stable farm economy is of prime importance. Our national welfare demands that there must be agricultural prosperity as well as industrial prosperity. The two go hand in hand. It is important to realize that the prosperity of one depends upon the prosperity of the other. If it is lacking in either one the damaging effect is reflected in the other as well. Therefore there is an ever present necessity to be alert to the welfare of each that there may be a prosperous national economy.

The bill before us today is one that deals primarily with agriculture, but, it would not in my opinion provide the prosperity of the farmer. It has become known as the Brannan plan because it is the program presented and advocated by the present Secretary of Agriculture. It is admittedly offered as a trial program. Its sponsors have not been willing to claim that it will prove satisfactory in operation. Nor has any one been able to even estimate the probable cost of the program. Opponents of the measure have made some calculations of the cost that reach into fantastic figures; an amount that would constitute a tremendous drain upon the taxpayers. The possibility of widespread regimentation that would be possible under its provisions has also created considerable concern. This feature, together with other implications under the terms of the bill, has caused one distinguished economic analyst to express his views under the caption, "Do we want socialism or our American system." This is some indication of the underlying fear that exists in the minds of thoughtful persons.

There is real basis for this fear. The regimentation that could result under the terms of the bill would be far removed from our present American way of life. While there may not be present intention upon the part of the sponsors of the present bill to go beyond a trial program of a few designated commodities, yet, when we consider the extent to which the policy, once adopted could go, there is real reason to stop such a policy being started even though it is limited.

The following news article recently published in one of the Washington newspapers is sufficient to indicate the broad policy that was in the mind of Secretary of Agriculture Brannan when he announced his program, and, likewise is justification for the opposition of farm organizations, and, farmers generally throughout the Nation. The article reads as follows:

BRANNAN CALLS FOR WIDER CONTROLS OF FARM OUTPUT

Sweeping new powers to control farm production were requested by Secretary of Agriculture Brannan yesterday in laying a full draft of the administration's farm program before Congress.

He asked that rigid marketing quotas now usable on only six major crops be permitted on the great bulk of farm products, including meat animals, milk, poultry, eggs, fruit, and vegetables.

STIFF PENALTY PROPOSED

Under quotas, the Agriculture Department could tell farmers how much of any particular crop or product they could sell. Sales in excess of a quota would be subject to a penalty tax equal to half the full return which the administration's new program says any particular product is entitled to receive.

As is the case on crops now subject to sales quotas, the controls would have to be approved by at least two-thirds of the producers voting in a referendum.

Crops which now are subject to marketing quotas are cotton, tobacco, peanuts, corn, wheat, and rice. Quotas are in use this year, however, only on peanuts and major types of tobacco.

MORE MARKETING QUOTAS

Brannan would extend authority for marketing quotas to livestock, including hogs, cattle, and lambs; poultry, including chickens and turkeys; whole milk, butterfat, eggs, hops, honey, honeybees, gum naval stores, corn produced outside the commercial corn area, barley, oats, rye, grain sorghums, flaxseed, soybeans, dry edible beans, grass seed; vegetables, including potatoes, cabbage, and tomatoes; and fruits, including citrus fruits, dried fruits and deciduous fruits.

Quotas may be invoked next year on cotton, wheat, and possibly corn and potatoes as well as tobacco and peanuts. There has been no indication that they might be proposed in the near future for livestock, fruits, or other vegetables.

It can be readily seen that the adoption of a policy such as the Secretary of Agriculture advocates would mean a condition of Government control over the lives and activities of our farmers that would destroy the liberty and freedom that is so dear to the farmers of this Nation. No longer would they be free to sow and reap as they desired. They would be subject to the control of Government agencies. Nor can we overlook the fact that the cost of such a program would be so great that the financial stability of our Nation and the consequent tax burden upon our people would be at the breaking point. It

must never be forgotten that whatever you get from your Government must eventually be paid for in taxes levied upon the people. The gentleman from Missouri, Chairman CLARENCE CANNON, of the House Appropriations Committee, presented the situation in a strong and local way when he said:

Eventually we must pay the fiddler. Let no one have any illusions about that. The money you are adding * * * must be paid either by increasing the public debt or by raising taxes. You can take your choice. And the American taxpayers can take their choice—or at least express their opinion in a very substantial manner.

Time does not permit as full a discussion of this bill as I would like to have made, but suffice it to say that I am opposed to the adoption of the bill because, first, it proposes to center complete control of production, marketing, and prices in the hands of a Government agency; second, it has political implications which will leave the welfare of farm people subject to the whims of a bureaucracy and dependent upon congressional appropriations; third, it will stop the long-time trend toward greater efficiency in farm production, a trend which is in the interest of consumers as well as producers; and, fourth, the program would eventually prove detrimental to consumers.

In coming to the conclusion that the policy set forth in this bill is not in the best interest of either farmers or consumers, I have had in mind that the rank and file of our people are opposed to anything and everything that runs contrary to our American way of life, or that would lead us from the fundamental principles that have governed us throughout our existence as a nation.

(Mr. WOLVERTON asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I ask unanimous consent that the gentleman from North Dakota [Mr. LEMKE] may have permission to extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[Mr. LEMKE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, the debate thus far has been very interesting and enlightening to me. May I say at the outset that I bow to no Member of this House so far as agricultural experience is concerned. I was born and raised on a farm. I homesteaded, I have milked cows, fed hogs, and fed sheep, among other things. If anyone here has had any more experience than I have had so far as actual work on a farm is concerned, I would like to have him stand up. Perhaps my farming experience has not been as large so far as acres are concerned, as our farms were from 40 to 80 acres.

May I begin by saying, Mr. Chairman, that I impugn the motives of no man so

far as his position on this bill is concerned, and, in my opinion, it is about time that every Member of the House, myself included, come to the realization that all of us are in favor of doing the same thing for the farmers. In other words, we all want to accomplish exactly the same purpose. The big argument, the big difference, is over the way we shall go about it.

I was amused to hear my beloved and very dear friend from Texas talk about about darkness. If he will read the Scriptures he will find "Those in darkness have seen a great light." Therefore, I want to pay a compliment to the gentleman from Tennessee [Mr. GORE].

Let me remind the Members on my right that your own political platform of 1948 states definitely that it supports a flexible price program. It is almost identical with the statement of the Republican platform on the same issue and that is the way it should be.

Mr. Chairman, to me the darkest moment in all my career in Congress was when our subcommittee decided—purposely? No; I think not. Accidentally? Absolutely—to make a partisan political issue of the farm program and not follow their own conscience. If we could have the opportunity of talking quietly to each one of you personally, how members of our subcommittee felt in their own hearts about the Pace bill when it was first considered in our committee you would be, indeed, quite surprised.

It was a sorry day in America when those gentlemen out in Des Moines said that "We can do more for the farmers because we are Democrats than you can ever expect from the Republicans."

There never was a more false or insincere statement made. The Democratic Party wants to do everything it can for the farmers; the Republican Party, I am convinced, wants to do the same thing.

I lived through the Hoover trouble. I was operating a hardware and implement store at that time and I know what it means to come downtown and find your banks closed with your help standing around wondering how you are going to pay them. Does anyone want to see that return? I am pretty well fed up with some of these folks who make the statement in the press that the Republicans want a depression. No Republican, no Democrat, has ever conscientiously made any such statement. There is not a Member on either side of the aisle who even remotely feels such a desire. Yet when I see the same thing coming in 1949 that I saw spread over the world when the last depression hit us, I am pretty nervous. None of us are to blame, but this great Nation of ours is not large enough, it does not have influence enough, to stop world-wide deflation.

I would like to just call your attention to a few figures I have in my hand concerning the situation in Europe. Does it bear on this question? My friend, it is absolutely right to the point. What has been going on? I tried to tell the subcommittee, I think I did in a small way, but maybe not plain enough. But here are figures showing recovery in

some European nations in regard to industrial and agricultural pursuits. You may not believe these figures but they are absolutely unimpeachable. Listen to the figures as I read them, because they do have a bearing on what we do in this House this very day.

In Great Britain the total production today, that means agricultural and industrial production, is 121 percent over prewar. Now let that have a bearing on your vote.

In Belgium they are producing today very considerably over prewar. I call the attention of my good friend from Texas to that, because he and I walked around through one large city in Belgium one evening 3 years ago when they were very happy and dancing on the streets, and they were having a good time. What do you suppose their production has reached? One hundred and seventy percent over prewar in 1948.

Take Sweden. Now, you would expect them to be higher because they did not enter into either war, but that is not true. Their production is 143 percent in 1948 over prewar, and Poland is 133.

Now, listen to this. Of the 15 countries, including Russia and her satellites, we find their average increase in production since the war in 1948, was 113 percent over prewar.

What bearing has that on this bill? Let me say here this very minute that it has a great deal to do with this bill, because the United States is the only nation in the world—and I defy anyone to dispute my statement—that absolutely bankrupts itself by production. We are the most strange and peculiar and unusual people that God in Heaven has ever blessed. He has blessed us with the greatest crops we have ever had. Even this year, 1949, I was certain that Mother Nature would not smile so abundantly on us, yet we find that probably the wheat crop will be better than last year, and the corn crop will be larger.

What I am driving at is that if we do not have, shall I say, sound thinking, keenness, and smartness to arrange a farm program that fits into a new world, then agriculture surely faces real difficulties. This is a very important bill. To me it is the most revolutionary piece of legislation I have ever read. To me it is a little different when a lawyer discusses a bill, or a hardware merchant, because I discuss it exactly from the language of the bill. This bill is very peculiar. Please look at the bill. On the very first page, what does that bill say? It starts out by introducing the Brannan program. I do not think we should have a discussion about the Brannan program now, because I have enough trouble crossing bridges when I get to them without crossing bridges that I never reach. So, forget the Brannan program. You Democrats have thrown out Agricultural Secretaries before, and I am convinced you can do it again, and you might, even though he is from Colorado. Why, you threw out a Secretary of Agriculture, or he got out, and if I remember, he ran for President. And, you might throw out a Secretary of Agriculture on this issue and find him running for President. Those are things that might happen.

On line 8, page 1 of this bill, I call your attention to the first time you have seen these words: "income support standard." There begins your Brannan plan. The whole thing, the whole scheme is written in those words. Now, I want to turn over to the next page and show you subdivisions 1, 2, and 3, and read them. It tells you how you are going to figure the farmer's income, and for the first time in all your agricultural legislation you have written in the income of the farmers of the United States on an average annual basis. You have written in also parity prices for the farmer's product. Notice how this works. Then, in addition, you have in the bill the expenses that the farmer incurs in producing and operating his farm. Now through the manipulating of a formula proscribed by the Secretary with the weighting of certain elements the Department arrives at a parity price.

Do you understand this? Of course you cannot.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield myself one-half minute.

Mr. Chairman, I hope the gentleman from Colorado will carefully read in the RECORD tomorrow the unwarranted accusation he has leveled against his colleagues on the Committee on Agriculture. I have been associated with the gentleman for many years. He started his remarks by saying that he would not impugn the motives of any of his colleagues on the committee, and before he had concluded he said that we were not following the dictates of our conscience, and if he could take the Members of this House out into the corridors of this building he could open their eyes with regard to the considerations which had influenced the decisions of the 17 Democrats on the committee.

Mr. HILL. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself one-half minute additional in order to yield to the gentleman from Colorado.

Mr. HILL. I certainly am entitled to say this, now that the gentleman has put his foot in the halter, as we farm boys say. I did not expect to tell this, but I say to the gentleman I made no charge against any members of my committee.

Mr. COOLEY. I ask the gentleman to read his own remarks in the RECORD tomorrow.

Mr. HILL. Let me tell the gentleman something. He was not present, and I am not talking about the Committee on Agriculture, the whole committee, I am talking about the subcommittee. Let me say to the gentleman that here is something he does not know. He was not there. I was there. I made this remark, and I make it again.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HILL. Will the gentleman take more time so that I can finish my statement?

Mr. COOLEY. No.

Mr. HILL. I will tell later in the Committee of the Whole just exactly what went on in the subcommittee. I did not mean to do that, but I certainly will.

Mr. COOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I hope every Member of the House will read in yesterday's CONGRESSIONAL RECORD the shocking revelation made by the distinguished gentleman from Georgia [Mr. PACE] in which he disclosed that the president of the National Farm Bureau Federation, one Allan Kline, has been deliberately spreading false propaganda in regard to the so-called Brannan plan. Every Member of Congress from a district where a Farm Bureau organization is located has received telegrams from the Farm Bureau denouncing the production-payment provision of the Brannan plan. Yet, the gentleman from Georgia [Mr. PACE] quoted from the official Senate and House hearings where Mr. Kline had not only approved but had actually advocated the principle of the Brannan plan.

I know that the farmers of America will agree when I say that it's time for the Farm Bureau to change its leadership and get a man who will not consider the interest of the American farmer as secondary to the interest of the Republican Party.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, it is pretty difficult these days to keep cool with COOLEY or to keep pace with PACE, but my particular interest is to keep the livestock people of this country from going broke with Brannan. That keeps me busy most of the time. Cheese is 27 cents per pound today and the law states the support at 32 cents.

We used to have hope, faith, and parity, but we are beginning to lose a little of faith and hope, and I guess we are going to lose parity, too, if we do not look out.

Mr. Chairman, I did not yield to any Member to make these disparaging remarks about my colleague from Tennessee, and I will strike it out of the RECORD.

Mr. Chairman, I think we should spend a few minutes trying to find out what this is all about. I never realized I could learn so much from people who have been in Washington such a short time.

Let us go back a little bit and think about the Federal Farm Board which we hear about, which in the twenties had \$500,000,000 and lost about half of it. Then we had the triple A that we hear praised here today. But in 1939, the seventh year of the more abundant life, what did you have? That was the first year I was a Member of the House of Representatives. In August 1939 we had 5-cent-plus hogs and 8-cent-plus cotton

and you had your 54-cent wheat, and you had to pay 27 cents export bounty in order to get rid of the wheat. I do not want to spend time going into that today. We have listened to a discussion about the Aiken bill. That is not the issue here before us today. The issue before us today is whether we are satisfied with the support program that we have or whether we want to take over the Pace bill. As I remember it, in high school there was something—I presume it was in geometry—a rule to the effect that "things equal to the same thing are equal to each other." Personally, that is the reason I will not support the Pace bill. The Pace bill and the Aiken bill are too much alike to merit the support of anybody. If you do not believe that, just read the speech made by the distinguished gentleman from Georgia [Mr. PACE] yesterday. It is in the RECORD. Surely the Aiken bill has many of the provisions of the Brannan plan in it. So has the Pace bill. So, "things that are equal to the same thing must be equal to each other."

For that reason I say to you today that I stand here and feel humiliated—it makes me feel dejected—to see anything as important as this brought in here and glibly discussed the way this particular legislation is being discussed. It is enough to make anyone feel badly to think that he spent any time in agriculture. One could just as well have come down here and obtained all the information in a few short weeks by listening to what goes on here in Washington.

The Steagall bill was passed in 1941. You may make disparaging remarks about the gentleman from Tennessee [Mr. GORE], but I have known the gentleman ever since I have been a Member of Congress. You can accuse him of being a Republican, or anything else you like. He can take care of himself, as I have observed on many times. The gentleman from Tennessee [Mr. GORE], if you want to know the facts of the case, was the gentleman who did more to give us a support program for American agriculture in passing the Steagall bill than any other Member of Congress at that particular time. Associated with him were present Members of Congress, the gentleman from Georgia, Mr. PAUL BROWN, the gentleman from Iowa [Mr. TALLE], the gentleman from Wisconsin [Mr. HULL], and the gentlemen from Michigan [Mr. WOLCOTT and Mr. CRAWFORD]. The gentleman from Georgia [Mr. BROWN] was one of the leaders in connection with placing the Steagall amendment in the Price Control Act. The Steagall bill was the greatest piece of agricultural legislation that this Congress has ever passed. I do not care what anybody says, no other piece of agricultural legislation in the history of this country compares with the Steagall amendment.

Mr. PACE. If the gentleman will yield, would he permit me to add to the list of names that he has mentioned the name of the gentleman from Wisconsin [Mr. MURRAY]?

Mr. MURRAY of Wisconsin. No; I was not a member of that committee. I was not a member of the committee, although I sat there and listened to the hearings because I knew if we had support we were

going to get production, but I take no credit for it myself.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GORE. I would not want the gentleman to belittle his service. He conferred with the gentleman from Tennessee and with other Members who were vitally concerned with the adoption of the amendment and he did contribute valuable services.

Mr. MURRAY of Wisconsin. I do not want to break my arm patting myself on the back, or anything like that. But I do say to my colleagues today that we had better think twice before we discard the Steagall amendment. All the Hope bill is really a continuation of the Steagall bill. So any time you are criticizing the gentleman from Tennessee [Mr. GORE] today you are criticizing one of the men who has made one of the greatest contributions to American agriculture of any Member of Congress in the history of this Congress.

This program worked before the war, it worked during the war, and it has worked since the war. I listened to Members yesterday about how bad they feel because they spent a few million dollars on eggs. Oh, that was terrible. If they had shipped as many eggs as some of these other products, there would not have been any loss on eggs. If they had a little of that money which was spent in sending tobacco over there to feed the starving people of Europe, we would not have had any loss on eggs at all. My good friend from Arkansas was worried about the losses that had been made. The gentleman did not say anything about the fact that last year we shipped \$86,000,000 worth of rice abroad. The farmers received only \$172,000,000 for the entire rice crop. So half the crop was exported.

My good friend from Georgia—I do not like to mention this, because I think he was on good ground during the war when they did not need cotton—but he expanded the benefit program to peanuts. The peanut crop last year was worth only \$220,000,000, and we were able to get rid of \$77,000,000 worth of it largely through the Marshall plan. So let us not get the tears running down our cheeks too much about any little livestock products. The Government has never lost a dollar in connection with the livestock program up to this time. It has been difficult to get them to use any section 32 money. They could figure out all the excuses in the world to use that section 32 money but they did not want to do it when it came to the livestock industry, which, after all, is 50 percent of the agriculture of this country.

Under the Pace bill, as I said before, it is too much like the Aiken bill to have anyone support it. As previously stated, things equal to the same thing are equal to each other. There are a lot of things in the Pace bill that you have not heard discussed at all. It is honeycombed, if you please, with special privilege. Look through it. You see that throw-back to the days of Henry Wallace, with 75 percent support for corn in one county, and

right across the line, in another county, 100 percent support. Such a silly thing to have in a bill in 1949.

Mr. PACE. That has been the law. It is now the law and has been since 1938—the difference between commercial and noncommercial corn areas.

Mr. MURRAY of Wisconsin. I realize it is in the present law. Representative AUGUST H. ANDRESEN on many occasions tried to get it out of there. There is no reason to repeat it and put it in the permanent law, because I do not like to live in a 75-percent-support county and have somebody else in a 100-percent-support county, because that is not democracy in action. That may be the idea of Democrats in action, but that is not democracy in action.

The only change in the Hope bill was that, instead of saying "not less than 90 percent of parity," it says "90 percent of parity. The Hope bill provided the sliding scale for perishables which all Democrats voted for. Please do not go out like you did last year and say you believe in a sliding scale and try to make anyone believe there is not any sliding scale in the Pace bill, because you have got two of them. You slide clear down to the cellar in this one. Fifty percent of agriculture is covered in the Pace bill and the other 50 percent is left out of the picture altogether. Under the Aiken bill, only about 20 or 30 percent of agriculture has any protection. The rest of it is simply a matter of discretion.

So I say to you, let us keep the present law that we have. Let us amend it. Let us do something that is not going to be detrimental to the American farmers. They have done a good job during the war, and we owe that not only to them but also to the American people.

Mr. COOLEY. Mr. Chairman, I have only one additional speaker, and I would like for him to close.

Mr. HOPE. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Kansas has 9 minutes remaining, the gentleman from North Carolina 17½.

Mr. HOPE. Mr. Chairman, I yield the remainder of my time to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I rise in support of the Gore substitute. I do not believe the issue here before us today is the issue of the Brannan plan or the Aiken plan; I believe sincerely it is the issue between the experimental Brannan plan and a tried, and time tested, and constantly improved Democratic farm program which I feel the people of this country endorsed in the election last November.

I am not ashamed of this Democratic program; it had bipartisan support; it has worked for many years and has been gradually and slowly improved to where I think it is a good plan.

I will admit that it has perhaps several faults, but I do not believe it is worth while to burn down the house in order to get rid of a few bugs. It is a plan that is

well reasoned out and has been put on a sound, safe, and sane basis.

I am afraid of the Brannan plan, although I have an intense respect for the able and sincere Secretary of Agriculture, Mr. Brannan. I have a tremendous respect for the members of this Agriculture Committee. I do not think anyone has done more for agriculture than the gentleman from Georgia [Mr. PACE] and the gentleman from North Carolina [Mr. COOLEY].

But I cannot bring myself to follow anyone's lead blindly when after further careful study and consideration I think the program will lead us down the road to economic ruin. I am afraid this launches a program which will soon become so stupendous in cost that this Nation could not remain solvent.

When we accept the Brannan program we accept the principle of food subsidies, of high producers' prices, low consumers' prices, and the Government making up the difference out of money from the Federal Treasury. If we can accomplish this trick of high producers' prices and low consumers' prices without the outpouring of billions of dollars from the United States Treasury, then we have discovered something as great as the discovery of perpetual motion, and I do not believe we have found it yet.

This program, the more I study it and look at it and see it, makes me think of the OPA, production payments, subsidies, low consumers' prices, high producers' prices, billions from the Treasury. It seems to me we are inadvertently drifting back to the old days of the OPA again.

I apologize to the Committee for speaking of this bill. They studied this question of food subsidies for a few months, ever since April 7, when I believe it was the matter was first submitted to the Congress by Secretary Brannan.

But I have the temerity to say that I have studied food subsidies for 3 years. My effort goes back to the days of the OPA when I had to fight in every session of Congress to try and continue food subsidies to keep from breaking the line of inflation and having a third, fourth, or fifth round of wage increases.

As I defended that program here and in my district and all over the United States by radio, I realized many of the difficulties, many of the thousands of complications and dislocations that a program of food subsidies once started would lead us into. It was a war-caused necessity then—a temporary thing to be killed when the inflation danger was over.

Make no mistake about it, in this bill we commit ourselves knowingly or unknowingly to a system and principle of food subsidies in such a way that we cannot turn back. The committee has written some fine provisos into this legislation, but you must remember that when you embark upon this program you are starting something that will spread like a flood and be as difficult to control.

Think back to the original idea and what they expected to do. It was not a trial run on three products, but unlim-

ited authority to use production payments on any perishable commodity that they determined.

I am fearful of a mighty Department of Agriculture and a very capable Secretary of Agriculture who are not committed to a food subsidy on only three commodities; they never backed up from their position that it must be a comprehensive program on those perishables which they think need support.

So we will find after the camel's nose is under the tent that it will be an entering wedge instead of a trial run. I have seen many programs start as trial runs only to become gigantic programs. Government programs always have a habit of expanding.

If the Committee on Agriculture was the only one expounding this trial on three commodities, that might be a different situation. But you and I know that this full-blown Brannan plan, advocated and aggressively supported by the entire Department of Agriculture, combining with consumer groups, can soon force this far beyond the limits the Agriculture Committee now advocates.

It is a program which can become self-accelerating, self-enlarging, self-expanding.

It is only a matter of time until the program gets bigger and bigger and is added to in its appeal, not only to the consumers, but to the producers as well. And so the United States Treasury eventually picks up the check which I fear will result in this program becoming absolutely unlimited as to skyrocketing costs.

Food subsidies under OPA, too, started in a very small way. I remember when the subsidy was put on milk of 1 cent a quart. It was not very long before we found that the subsidy on fluid milk was dislocating the cream supply of butter. So we had to put it on butter. Then we found after we had placed subsidies on fluid milk and butter that we had dislocated the supply of milk for cheddar cheese.

So you go into a general program and you finally go from one commodity to the other and the end is never in sight. Yes, before we were through with that dairy program the cost was \$1,243,000,000. The OPA subsidies, which I supported as cheaper than breaking the line of inflation for the war, cost us \$3,947,000,000. For the last partial year 1946 it cost us a total of \$1,763,000,000.

It is costing England, less than one-third our size, in food subsidies nearly \$2,000,000,000.

Do you remember the fun it was to run a Congressman's office on those hundreds of problems of production payments, the quarrels, the difficulties, the missing records of bureaucracy, the men who ran all over this country auditing the farmer's receipts and the processor's records? Do you remember the millions of pages of regulations that any such program entails? You talk about bureaucracy. This program cannot be self-enforced and self-maintained because you are paying out Government money to the egg producer or whatever

else is in this subsidy program. Each one of millions of transactions has to be audited, and finally they have to clear through the General Accounting Office.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Was not the gentleman from Oklahoma the most ardent advocate of OPA in this entire House?

Mr. MONRONEY. I have tried to say that very clearly, because I felt it was a wartime necessity in battling inflation. I do not see how subsidies could have been so repulsive to so many Members of the House under OPA and now have a sort of holy attitude for farm prices in peacetime.

I think the committee admits it cannot be sure that these production payments will be passed on by processors to benefit the consumers of this country. Only through price controls, which I am sure no one now wants, can you prevent the benefits of processor payments from being absorbed by the middleman. The committee even points out, in the case of wheat, which has fallen one-third in the price the farmer receives, that the cost of bread has not gone down at all.

The only excuse given for the trial run in this bill is that it is going to furnish experience. Experience for what? For the full Brannan farm program because that is what the Department of Agriculture is committed to and if you pass this trial run you will find it will be ever-expanding and ever-accelerating within a short time.

What will the program cost? Nobody can give the cost. Secretary Brannan testified that to lower the price of milk 1 cent a quart across the country would cost from \$200,000,000 to \$250,000,000. That is a reduction of 1 cent a quart to benefit the consumer. That is almost as much as it would cost to have the Federal-aid-to-education program for the coming year. That is 1-cent-a-quart effect to the consumer.

On eggs, to lower the price, and this is the figure the Secretary used, by 4 cents a dozen across the country, his estimate was it would cost \$172,000,000.

On pork, and that was not spelled out quite so clearly, but 20,000,000,000 pounds of pork which we will probably have, lowered 4 cents a pound, figures \$800,000,000. So I think you have just a little peak at the eventual cost of this full program. We should therefore stop, look, and listen. Let us continue our present tested formula for another year and see what can be done to improve it. You cannot solve agricultural problems with subsidies. You merely multiply them. You start a chain reaction that can destroy our economy.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COOLEY. Mr. Chairman, I yield the remaining time to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I hope very much that in the closing moments of the general debate I may be able to be of some service to the Members. I hope you can do me the kindness to forget for a moment that you are a Democrat or a

Republican, and turn our entire attention to a future constructive farm program for the farmers of this Nation.

I think the best service I can give you is to tell you how and why this bill is now before you. The subcommittee started hearings on January 7. You may remember that was even before the House was organized. Then on February 23 through March 18, we devoted our time to a study of the Aiken Act which, you recall, we did not have an opportunity to analyze before its enactment in the closing hours of the Eightieth Congress. But, here is what we found, and please follow me closely. We found that Senator AIKEN on June 15, 1948, while his bill was before the Senate, had this statement to make: "Price supports on any agricultural commodity through loans, purchases, payments, or other operations would be authorized." That is in the Aiken Act. "This authorization provides the necessary flexibility in the choice of methods to be used in supporting prices. Thus it authorizes not only loans and purchases, but also direct payments to producers."

That is, we learned that under the statement of the author of the bill himself the entire Brannan plan, lock, stock, and barrel, without any limitation, is now in the Agricultural Act of 1948, commonly known as the Aiken bill.

Then we found in the bill itself this section, which I think you should know about, section 302 (a):

The Secretary, through the Commodity Credit Corporation and other means available to him, is authorized to support the price of agricultural commodities to producers through loans, purchases, payments, and other operations.

There is the production payment or Brannan plan authorized without limit.

Then we had before us the Solicitor of the Department of Agriculture, Mr. Hunter. He testified, and I think the date is significant, in February—quoting him without reading his exact language—that under the language of the Aiken Act they were now, for the first time, granted the authority to use production payments in the price support program.

Then the Secretary of Agriculture came before our committee, and I think I should read to you exactly what transpired:

Mr. PACE. You do now have authority under the Aiken bill, if it goes into effect on the 1st day of January, to support prices in all of the methods you now suggest?

Secretary BRANNAN. Yes.

Mr. PACE. By payments, by loans, by purchase agreements, and by direct purchases?

Secretary BRANNAN. Yes.

Mr. PACE. This payment question, which has been so much inquired about, is now authorized by law if the Congress gives you the money?

Secretary BRANNAN. That is right.

Mr. PACE. I think that needs to be made clear. We have not brought here, whether it is good or bad, a request for any authority that the Congress has not already written into the law.

Secretary BRANNAN. That is correct, sir.

Let me say in passing, when you rise here today and condemn Mr. Brannan, please bear in mind that he could have remained quiet, he could have come to

our committee and suggested some changes in the Soil Conservation Act or the like, he could have withheld mention of the fact that his entire proposal was authorized by law, and the probability is that it would have remained in the act just as it is at this time. I think you should thank the Secretary.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman is not saying, is he, that this Congress should have permitted the Aiken act to become law? I thought it has always been the gentleman's position that we should not permit the Aiken bill to become law, and until it did become law these production payments would not be possible.

Mr. PACE. That is exactly right. I think if Secretary of Agriculture Brannan had not developed the problem and his views, neither the gentleman from Kansas nor the gentleman from Georgia would have had a full comprehension of the problem. Therefore, this is what we were faced with, and get this clear. I think you ought to understand what is in the minds of the committee. Here was the Aiken Act authorizing the production payment plan without limit. Here was the Secretary of Agriculture saying, "That is the plan I want. That is the plan I want to put into effect with certain changes and additions." Our committee could not agree with either of them. We thought it was such a comprehensive change that it required considerable study and, if you please, we concluded we could study it for 40 years and talked about it and never would have known how it would work. We concluded there was but one way in the world to determine the feasibility of the payment plan, and that was through experience, by an experiment. Nobody on the committee, be he a Democrat or a Republican, was ready without additional information to accept either the unlimited authority contained in the Aiken bill or the unlimited authority which the Secretary proposed that he exercise.

But that is not all. We began to look closely into these losses. As I told you yesterday, you have only two methods now of supporting prices. One is through loans, which you can use only on a few commodities like cotton, corn, wheat, and tobacco, and the other method is for the Secretary to go out and buy up the surplus.

The gentleman from Oklahoma [Mr. MONRONEY] missed the issue as completely as I have ever seen it missed. The question here is not, under this bill, to set up an unlimited subsidy program for consumers. That is not the issue. The issue here, may I say to the gentleman, is whether or not your Government will continue to buy food and to destroy it when there are people in this country that need it to eat. That is the only issue here.

Now, here is some information we had. This is the statement made to our committee on the 7th day of June by Mr. Leslie S. Hubbard, president of the National Poultry Producers Federation,

Lancaster, Pa. He was an impartial witness. He came there of his own accord. He is interested in the protection of the producers. Here is what he says. Please listen to this:

If the Congress decides to extend into 1950 title I of the Agricultural Act of 1948—

That is the Gore bill—

I can say with complete assurance that the Department of Agriculture will have to buy from 15 to 20 million cases of eggs at a cost of approximately one-quarter of a billion dollars.

When you vote, please understand what you are doing. That is all I ask. I do not care how you vote, because I know how you will vote if you do understand. When you vote for the bill offered by the gentleman from Tennessee [Mr. GORE] which contains the egg program just as it is, where the only thing the Secretary can do is to go out and buy up eggs, then you are voting for a program to buy a quarter of a billion dollars' worth of eggs and take them away from the consumers of the country. Could anybody here stand up and say that they expected me or the Democrats or the Republicans, if you please, on my committee to continue title I with the testimony before us?

Then, what else did we have before us? It is said that the farm organizations did not have a part in this bill. All right, here is the testimony of Mr. Davis, secretary of the National Council of Farmer Cooperatives. This is found on page 616 of part 3 of the hearings:

Mr. PACE. Do you or do you not approve of the Secretary's production payment proposal?

Mr. DAVIS. We would approve of it on an experimental basis, I think. It seems to me that you need some experience with a thing like that before you go all out to apply it.

Is that not the committee bill?

Here is the testimony of Mr. Kline of the American Farm Bureau Federation. Mr. HOPE asked the question:

Mr. HOPE. Do you favor continuing in the Aiken bill, if it continues to be the law of the land, a provision for payments? * * *

Mr. KLINE. * * * It is a matter of record that we aggressively supported the act with that provision in it. * * * we have proposed some amendments to make effective the act of 1948 and we have not made any suggestion with regard to the elimination of this provision. In fact, we do not suggest it.

He proposed to leave in the Aiken bill the unlimited authority for the production payment plan—for the Brannan plan, if you please.

Now, here is the testimony of Mr. Goss, which is found on pages 565 and 566 of part 3 of the hearings:

Mr. Goss. We discussed a straight subsidy, and said that that might be necessary, * * * We recognize that there may be emergency conditions where it might be necessary, nevertheless, * * * our whole stand might be summed up by saying that we want to use any possible devices that will bring about the best results.

Mr. WHITE of California. Will the gentleman please tell the Members that Mr. Goss is with the grange?

Mr. PACE. Of course, Mr. Goss is the master of the National Grange.

What were we to do? What would you have done? Would you have come

here asking the Members to extend title I with that testimony before our committee, that on potatoes last year you bought up \$225,000,000 worth and let them rot in the fields and fed them to the hogs? Somebody mentioned something about making flour of the potatoes. The testimony shows that we not only had to give them to the flour mills, but we had to pay the freight to deliver the potatoes to the mills. You spent \$225,000,000 on Irish potatoes last year. You have already lost \$128,000,000 on eggs. And you are preparing to buy another quarter of a billion dollars' worth of eggs if you continue title I.

Could we have come here and recommended the extension of title I? You know we could not. It was not cotton, corn, and wheat we were worried about. Those producers are all right. But we think that the perishable commodity producers of the Nation are entitled to equal treatment and we know that you cannot give protection to them if the only method you have is to go out and buy up food and let it rot. And we know that if it is done much longer then the American people will revolt and our entire farm program and the support-price program will be endangered. Any farm program, to be successful and to continue in effect, must be sensible, must take into account the welfare of all the people, and must be administered without unreasonable and unnecessary cost.

So here is what we have done: We have taken these three commodities; eggs, with probable losses of \$128,000,000; Irish potatoes, where you have lost \$408,000,000; and wool, where you have lost \$80,000,000, and authorized an experimental program for the next 2 years to find out how the production plan will work, what the costs will be, whether it is practicable, whether the benefits to consumers will be in keeping with the costs, and how to fix the production limitations.

We could accept the all-out program of the Secretary; we cannot accept the unlimited authority in the Aiken bill, but we do agree with the Secretary that the time has come in this Nation when the welfare of the consumers, who pay the bill, must be taken into account, and these enormous losses and this destruction of food must be stopped.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield briefly.

Mr. WHITTEN. Is it not a fact that all these losses have been because there have been no controls, which the Secretary for the last 3 or 4 years has asked both the Democratic and Republican administrations to impose?

Mr. PACE. CLINT ANDERSON, when Secretary of Agriculture, sent three letters to Congress asking it for authority to put some controls under the potato program, and it has not been done, and there is nothing in title I of the Gore bill that will do it. But there is in the committee bill authority, where the Secretary can require the producers to conform to reasonable limitations on production.

Let this be my last word. I do not know what the future holds. Some say

that this experiment is just getting the camel's nose under the tent. I say this to you, if you do not try this plan out and see whether it works for the perishable producers, about 50 percent of agriculture, or more, they will never have a support program like the producers of the basic commodities, and enjoy the same protection.

I do not see how a man from California can vote against the committee bill. I do not see how a man from Florida can vote against the committee bill, or a man from New Jersey, or any of these great areas where the perishables are grown. If you vote against the committee bill, then come and tell us, if you please, how you think we can give some help to the perishables. Come to us, if you please, and tell us if you do not think the consumers of this Nation have some rights. Come to us and tell us whether you think that instead of providing food for millions of our people who are entitled to have it, and for which they are paying, you should spend a quarter of a billion dollars buying up eggs and then throwing them away. Tell us whether or not you think we should continue to provide no authority except that of going out and buying and destroying. Those are the issues.

As a final word let me add that my principal interest is in the welfare of those millions of our people who work in the fields and produce the food and fiber to feed and clothe all the people. I think they are entitled to the protection and security of fair support prices, to full parity prices. But I know we cannot secure and keep for them that protection and that security unless the program is sound, unless the losses are kept to the lowest possible figure and unless the welfare and interest of those who pay the bill is also considered and protected.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1949."

Mr. GORE. Mr. Chairman, I offer an amendment contemplated under the rule.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GORE: On page 1, strike out all after the enacting clause and insert:

"TITLE I—1950 PRICE STABILIZATION

"SECTION 1. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed through any instrumentality or agency within or under the direction of the Department of Agriculture, by loans, purchases, or other operations—

"(a) To support prices received by producers of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1951, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which the crop is harvested. The price support authorized by this subsection shall be made available as follows:

"(1) To cooperators at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

"(2) To noncooperators at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are consistent with the provisions of this subsection, be applicable with respect to loans or other price-support operations authorized under this subsection, except that for the purpose of computing the parity price for Maryland tobacco the base period shall be the period August 1936 to July 1941 in lieu of the period August 1919 to July 1929.

"(b) To support until January 1, 1951, a price to producers of commodities with respect to which the Secretary of Agriculture by public announcement pursuant to the provisions of the act of July 1, 1941, as amended, requested an expansion of production of not less than 60 percent of the parity or comparable price therefor nor more than the level at which such commodity was supported in 1948, except that milk and its products, hogs, chickens, and eggs shall be supported at 90 percent of the parity or comparable price. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this subsection if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for the commodities referred to in (a) hereof. In carrying out the provisions of this subsection the Secretary of Agriculture shall have the authority to require compliance with production goals and marketing regulations as a condition to eligibility of producers for price support.

"(c) Sections 1 and 3 of the act approved August 5, 1947 (Public Law 360, 80th Cong.), are amended by striking out in each section the date 'June 30, 1950' wherever it appears and inserting in lieu thereof the date 'June 30, 1951.'

"(d) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsections (a), (b), and (c) hereof) shall be carried out until January 1, 1950, so as to bring the price and income of the producers of other agricultural commodities not covered by subsections (a), (b), and (c) to a fair parity relationship with the commodities included under subsections (a), (b), and (c), to the extent that funds for such operations are available after taking into account the operations with respect to the commodities covered by subsections (a), (b), and (c). In carrying out the provisions of this subsection the Secretary of Agriculture shall have the authority to require compliance with production goals and marketing regulations as a condition to eligibility of producers for price support.

"SEC. 2. From any funds available to the Department of Agriculture or any agency operating under its direction for price-support operations or for the disposal of agricultural commodities, the Secretary of Agriculture is authorized and directed to use such sums as may be necessary to carry out the provisions of section 1 of this act.

"SEC. 3. Section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935 (49 Stat. 773), reenacted by section 1 of the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended, is hereby amended to read as follows:

"SEC. 22. (a) Whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil

Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision of the President as to facts under this section shall be final.

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party."

"Sec. 4. Section 8 (a), as amended, of the Soil Conservation and Domestic Allotment Act is amended (a) by striking out 'January 1, 1949' wherever appearing therein and inserting in lieu thereof January 1, 1951,' and (b) by striking out 'December 31, 1948' and inserting in lieu thereof 'December 31, 1950.'

"Sec. 5. Notwithstanding any of the provisions of this act, the act of July 28, 1945 (59 Stat. 506) shall continue in effect.

"Sec. 6. This title shall take effect on January 1, 1950, except that sections 3 and 4 shall take effect on the date of enactment of this act.

"Sec. 7. Section 303 of the Agricultural Act of 1948 is amended by striking out the figures '1950' and inserting the figures '1951'."

Mr. GORE (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that I asked for a thousand additional copies to be printed and available, and since all are familiar with this, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. LEMKE. Reserving the right to object, Mr. Chairman, I have a small amendment to the amendment.

Mr. GORE. That will not affect the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Chairman, I had my say on yesterday. The Committee was very indulgent, and I shall not undertake a lengthy debate today. I do, however, wish to call to your attention that the distinguished and capable gentleman from Georgia has by his statements on eggs pointed up the issue between food subsidies and the program of price supports that we now have. I had a good deal to say to you yesterday about the egg program. The gentleman from Georgia, [Mr. PACE] has now made some statements that I wish to analyze. He said that the Secretary of Agriculture predicts that next year we will have to buy \$250,000,000 worth of eggs.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. PACE. That was not the Secretary of Agriculture; that was the head of the Poultry Association of the United States.

Mr. GORE. I stand corrected. Thank you. Let us analyze the statement, nevertheless.

The gentleman from Georgia said that by buying these eggs the Government would take away from the consumer. However, eggs, as well as other commodities, will not fall below a reasonable price, which is all the farmer asks, until the market is glutted; so we will not be taking away from the consumer; he can still buy all the eggs he wants at a reasonable price. Were it not so prices would not fall to support levels. Shall we, then, make the farmer the only man and the only industry to go contrary to the current of American economic life and produce more in order to get less? Shall we make him the only man or industry who will glut the market? What will

happen under the payment program if we do have this enormous egg production predicted by the gentleman?

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes; but, Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for two additional minutes.

Is there objection?

There was no objection.

Mr. HOPE. I just want to call the gentleman's attention to the estimate that was given in the committee by one of the Department's experts on the egg program in which he was asked what was the cost of the egg price support program. He said that in 1937—this must be a mistake, it must be 1947—it was \$13,700,000; for 1948 it was \$15,928,000; and estimated for 1949, \$7,760,000. He goes on to say, however, that the estimate for 1949 was a budget estimate which was going to the Appropriations Committee in February. Since that time the figure would be increased, but I am sure no one in the Department of Agriculture has any idea of spending \$250,000,000 on egg-price support this year.

Mr. GORE. I thank the gentleman. Let us continue with this prediction for just a minute. What would it mean if the market were thus glutted? That would mean that instead of 4,500,000,000 dozen eggs there would be perhaps 5,000,000,000 or 6,000,000,000 dozen eggs next year. What would happen to the market? According to the Brannan plan, they would find their level in the market place. Let us say they went down to 20 cents. What would it cost on 5,000,000,000 dozen eggs to give a 10-cent support subsidy? Not \$250,000,000, but \$500,000,000. So there you have it. Instead of removing sufficient surplus from the market to prevent gluts and disastrous prices as under the present program, the gentleman from Georgia proposes that we permit demoralization of the market and resulting depression of prices with Uncle Sam making up to the producer for his income deficiency.

Let us not make the farmer the only man who produces more to get less and glut the market in order to become a ward of the Treasury of the United States.

I will not now discuss further the issues involved.

I present here an amendment. A number of Members have talked to me about three amendments, and I have agreed to—I have not agreed to accept an amendment from any particular person—but I have agreed that I will have no objection to three amendments. The first is an amendment providing Steagall support from 60 to 90 percent on cottonseed. I would like to make it clear that in my opinion the Secretary has ample authority under present law to provide price support for cottonseed. But the industry is in distress. They do need price support. It is agreed by everybody that the amendment should go in.

The second amendment in which the Maryland tobacco people are interested is meritorious and will have no objection from me or anyone so far as I know.

The third is on the question of postponement or repeal of the Aiken bill. A lot has been said about extension, that my bill would provide an extension of the Aiken bill. My bill provides no extension and could not. The so-called Aiken bill is permanent law once it becomes effective. My bill provides postponement of the effective date.

What did I have in mind to do by my bill? Not to be so presumptuous as to come here and undertake to write a new agricultural policy. Not at all. Out of this confusion and controversy, out of this lack of understanding of what we face, I propose to preserve our status quo for another year.

I suppose 50 or 75 Members on both sides of the aisle have come to me wanting to repeal the Aiken bill instead of postponing its effective date. From a practical standpoint, I do not think there is very much difference in postponement and repeal because, mind you, that issue will finally be settled in a conference between the House and Senate. Furthermore, we will be acting on agricultural legislation again next year. Nevertheless, whoever offers an amendment to repeal instead of postpone, I will accept the amendment, but that does not include the acceptance of a substitute that might involve a number of other things.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PACE. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Tennessee [Mr. GORE].

The Clerk read as follows:

Substitute offered by Mr. PACE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That this act may be cited as the 'Agricultural Act of 1949.'"

"Sec. 2. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(1) (A) The term 'income support standard,' as of any date, means the average annual aggregate purchasing power of cash receipts from all farm marketings, including production payments made under section 302 of this title, during a period consisting of the first 10 of the preceding 12 calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive) computed as follows: (i) Divide such cash receipts for each of such 10 years by the parity index for such year; (ii) add the amount obtained under (i) above for each of the 10 years and divide by 10; (iii) multiply the amount obtained under (ii) above by the most recent parity index.

"(B) The term 'parity index,' as of any date, means the ratio of (i) the general level of prices for articles and services that farmers buy, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, interest, and taxes during a period consisting of the first 10 of the last preceding 12 calendar years (except that during 1950, such period shall consist of the calendar years 1939 through 1948, inclusive). The parity index for any year shall be the

simple average of the 12 monthly parity indexes computed for such year.

"(C) The term 'parity price' for each agricultural commodity means a price computed as follows: Multiply the average of the prices received by farmers (including any production payments made under section 302 of this title), for the commodity for each of the 10 immediately preceding calendar years, or for each marketing season beginning in such period if the Secretary determines that use of a calendar year basis is impracticable, by the ratio of (i) the current income support standard to (ii) the actual average level of cash receipts from farm marketings, including production payments made under section 302 of this title, during the 10 immediately preceding years.

"(D) The standards, prices, and indexes provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final and conclusive."

"Sec. 3. Section 302 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"Sec. 302. (a) The Secretary, through the Commodity Credit Corporation and other means available to him is authorized to support prices of agricultural commodities to producers through loans, purchases, and other operations. In addition, the Secretary is authorized until January 1, 1952 to support the prices of Irish potatoes, eggs, and shorn wool to producers thereof through production payments alone, or in combination with other types of price support, if he determines that the use of production payments is the most effective and practicable method of providing price support, and that the use of production payments will not substantially reduce the market price of, or the demand for, any other agricultural commodity. Except as otherwise provided in this section, the type, amount, terms and conditions of price support operations, and the extent to which such operations are carried out, shall be determined by the Secretary.

"(b) Price support shall be made available to the producers of corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool (including mohair), at levels equal to the parity price for each of such commodities. If acreage allotments or marketing quotas are in effect, the price support level for corn for producers outside the commercial corn-producing area shall be 75 percent of the level at which the price of corn is supported in the commercial corn-producing area. Notwithstanding the foregoing provisions of this section, if the Secretary determines that the parity prices for corn, wheat, milk, butterfat, and hogs are not in such proper relation as to permit the maintenance of desirable feed ratios, the levels at which such commodities are to be supported may be adjusted by not more than 10 percent on any such commodity to levels which the Secretary determines will reflect desirable feed ratios.

"(c) Price support shall be made available to the producers of cottonseed and of agricultural commodities (other than those specified in subsection (b) of this section) for which the Secretary by public announcement pursuant to the act of July 1, 1941, as amended (55 Stat. 498), requested an expansion of production, at levels not in excess of the parity price, taking into account the following factors: (1) The supply of the commodity in relation to the demand therefor; (2) the price levels at which other commodities are being supported, including the feeding values of other grains in relation to corn; (3) the perishability of the commodity; (4) the ability to dispose of stocks acquired through a price-support operation; (5) the need for offsetting temporary losses of export

markets; and (6) the ability and willingness of producers to keep marketings and supplies in line with demand.

"(d) It is hereby declared to be the policy of Congress that the price-support operations of the Department of Agriculture or any instrumentality or agency under the supervision or direction of the Secretary with respect to agricultural commodities (other than those required to be supported by subsections (b) and (c) of this section) shall be carried out so as to bring the prices received by the producers of such commodities into a fair and comparable relationship with the prices received by producers of other agricultural commodities taking into account the availability of funds and the factors enumerated in subsection (c) hereof.

"(e) The levels of price support provided herein shall be based upon the parity prices for the respective commodities, computed as of the beginning of the marketing year or season, in the case of those commodities marketed on a marketing year or seasonal basis, and as of January 1, in the case of commodities not so marketed (the parity price as of July 1 may be used for the last 6 months of the year, in the latter case, if the Secretary so determines).

"(f) If producers have disapproved marketing quotas with respect to any agricultural commodity in a referendum held with respect to such quotas, no price-support operations shall be undertaken with respect to the crop of the commodity to which the marketing quotas would have been applicable: *Provided*, That the disapproval of marketing quotas in any one referendum shall not prohibit price-support operations with respect to more than one crop of the commodity. The Secretary may also require, as a condition to undertaking a price-support operation for any agricultural commodity, that appropriate marketing orders under the Agricultural Marketing Agreement Act of 1937, as amended, be in effect for the commodity in applicable regional production or marketing areas prescribed by the Secretary.

"(g) Nothing in this section shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season (January 1 or July 1 in the case of commodities not marketed on a marketing year or season basis) if the level of price support so announced does not exceed the estimated parity price, based upon the latest information and statistics available to the Secretary when such level of price support is announced, and the level of price support so announced shall not be reduced if the parity price, when determined, is less than the level so announced.

"(h) Notwithstanding any other provision of this section, price support for any agricultural commodity at a level in excess of the parity price for such commodity may be undertaken whenever it is determined by the Secretary, and public notice given thereof, that price support at such increased level is necessary in order to increase or maintain the production of such commodity in the national interest.

"(i) In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when otherwise authorized by law), as prescribed by the Secretary may be required as a condition of eligibility for price support. If acreage allotments are in effect for any commodity, the Secretary shall prescribe, as a minimum condition of eligibility for price support, that the producer shall not have knowingly overplanted such acreage allotment.

"(j) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, location, and other factors, except that the sup-

port price for milk shall be adjusted so that milk used in the manufacture of dairy products shall be supported at not less than 88½ percent of the parity price for whole milk, subject to the feed ratio adjustment authorized in subsection (b) of this section, and in the case of cotton the standard grade for purposes of price support shall be middling seven-eighths-inch cotton.

"(k) No producer shall be personally liable for any deficiency arising from the sale of collateral securing any loan under this section unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

"(l) If the price of any agricultural commodity is supported by production payments (as authorized in section 302 (a) hereof), the Secretary may determine the rate or rates of payment annually, or periodically, on the basis of the amount by which the estimated average price to producers of the commodity nationally, or in such areas as the Secretary may determine, for the period to which the rate relates is less than the level of price support therefor; and such rate or rates may be adjusted by the Secretary, for differences in grade, type, location, and other factors, if he determines that such adjustments are practicable and essential to the effective operation of the price-support program for such commodity. Production payments shall, so far as practicable, be limited to the quantities of the commodity marketed by the producer. Production payments need not be made with respect to any commodity or any producer thereof if the Secretary determines that the total amount of production payments which would be made to the producers of the commodity is too small to justify the administrative cost of making such payments.

"(m) The Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than the current price support level for such commodity plus an allowance for approximate carrying charges, except that the foregoing restrictions shall not apply to (1) sales for new or byproduct uses; (2) sales of peanuts for the extraction of oil; (3) sales for seed or feed if such sales will not substantially impair any price support program; (4) sales of commodities which have substantially deteriorated in quality or of commodities where there is a danger of loss or waste through spoilage; (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful act with respect to the commodities; (6) sales for export; (7), sales of wool (including mohair); and (8) sales for other than primary uses.

"(n) The Secretary, in carrying out programs with respect to any agricultural commodity under section 32 of the public law numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it.

"(o) Notwithstanding any of the provisions of this act, section 2 of the act of July 28, 1945 (59 Stat. 506), shall continue in effect."

"Sec. 4. Section 8 (a), as amended, of the Soil Conservation and Domestic Allotment Act is amended (a) by striking out 'January 1, 1951' wherever appearing therein and in-

serting in lieu thereof 'January 1, 1953,' and (b) by striking out 'December 31, 1950' and inserting in lieu thereof 'December 31, 1952.'

"Sec. 5. Section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935 (7 U. S. C., 1946 ed., sec. 612c), is amended by adding at the end thereof the following: 'The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (31 U. S. C., 1946 ed., sec. 712), and section 5 of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes' (31 U. S. C., 1946 ed., sec. 713).'

"Sec. 6. Section 4 of the act of March 8, 1938, as amended (15 U. S. C., 1946 ed., 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: 'Provided, That the foregoing shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act 31 U. S. C., 1946 ed., sec. 841).'

"Sec. 7. All references in other laws to parity, parity prices, prices comparable to parity, or prices determined in the same manner as provided by the Agricultural Adjustment Act of 1938, for the determination of parity prices, shall, after January 1, 1950, be deemed to refer to the parity prices for such commodities determined in accordance with the provisions of section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended by this act: *Provided*, That any marketing agreement or marketing order, including any regulation issued thereunder, in effect under the Agricultural Adjustment Act of 1933, as amended, or the Agricultural Marketing Agreement Act of 1937, as amended, on December 31, 1949, shall continue in effect without the necessity for any amendatory action relative thereto, and all terms and provisions of such agreements, orders, and regulations are hereby expressly ratified, validated, and confirmed.

"Sec. 8. Titles II and III of the Agricultural Act of 1948 are repealed.

"Sec. 9. This act shall become effective on January 1, 1950, except that sections 6 and 8 shall take effect on the date of the enactment of this act. No provision of this act shall affect price-support operations or announcements thereof with respect to any agricultural commodity the marketing year or season for which commenced prior to January 1, 1950."

Mr. PACE (interrupting reading of the substitute). Mr. Chairman, in the interest of saving time, I should like to propound a unanimous-consent request. The substitute is identical with the committee bill except there are two amendments in section 302 (a). I ask unanimous consent that section 302 (a) be read and that the reading of the balance of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Chairman, I shall take at this time only a moment to explain to the House the terms of the change made

by the substitute. As was announced by our chairman 2 days ago, the committee authorized that the bill be amended, and this form of amendment is used, to definitely limit the experiments to 2 years and to name the commodities on which the experiments would be undertaken. That was decided upon, Mr. Chairman, because there were all sorts of rumors flying around, many of which came to the committee, some so fantastic, that the Secretary was going to use the payment plan on cotton; others that he was going to use the payment plan on wheat, and others that he was going to use it on hogs. I had previously announced, as chairman of the subcommittee, that the three commodities would probably be eggs, potatoes, and wool. Therefore, this amendment is to conform with the original plan of the committee to allay any rumors or any doubt as to what the commodities would be on which the experiments would be undertaken, and then to make it definite that it is no more than an experiment. The substitute provides that this authority be given to the Secretary for only the years 1950 and 1951.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Colorado.

Mr. HILL. Did I understand the chairman of the subcommittee to make the statement that we agreed on those three commodities?

Mr. PACE. I did not say that the gentleman from Colorado has agreed to anything, because I do not believe he has.

Mr. HILL. Did the gentleman say that the subcommittee had it brought before them?

Mr. PACE. The gentleman's recollection is a little faulty. We had several days of hearings on eggs, chickens, milk, potatoes, wool, and hogs. We not only had the Secretary, but the producers of those commodities before us and had extensive hearings. Wool, eggs, and potatoes were among them.

Mr. HILL. Read the hearings, and I think you will find that we did not decide on any commodities to be considered on a 3-year extension basis.

Mr. PACE. I did not say that the gentleman from Colorado was a party to it. But, the majority members of the committee did determine and agree upon these three commodities.

Mr. HILL. Now the gentleman says the majority members of the committee.

Mr. PACE. I beg your pardon.

Mr. HILL. The gentleman said the majority members of the committee.

Mr. PACE. That is right.

Mr. HILL. That is a different story. That is not the committee by any manner or means.

Mr. PACE. I realize that at the present stage the minority Members are not in agreement with the majority Members.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Will the gentleman explain to the Committee of the

Whole if there is any difference between the committee bill and the Gore amendment on section 32 funds.

Mr. PACE. Quite a substantial difference.

Mr. McCORMACK. That is very important. That relates to the school-lunch program and many other activities, and I think that should be made clear.

Mr. PACE. I should mention that now, that the amendment offered by the gentleman from Tennessee [Mr. GORE] does not authorize what I think the unanimous wish of the Committee on Agriculture, both Republicans and Democrats, and that is that the unexpended balance of section 32 funds be preserved until the fund is built up to \$300,000,000. Title I proposed to be extended does not provide that. The committee bill does provide that and, as the gentleman from Massachusetts has stated, it is a matter of great importance to the perishable producers of this Nation and to the school-lunch program and to many other features of the farm program. That is a very important difference between the committee bill and the amendment offered by the gentleman from Tennessee [Mr. GORE].

Mr. SUTTON. Mr. Chairman, I offer an amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Chairman, is it not the custom during debate under the 5-minute rule for the Chair in recognizing Members to alternate from side to side? At least I suggest to the Chair that that would be the fair procedure. The Chair has recognized three Democrats in a row.

The CHAIRMAN. The Chair will say to the gentleman that the matter of recognition of members of the committee is within the discretion of the Chair. The Chair has undertaken to follow as closely as possible the seniority of those Members.

Mr. HOPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. For the information of the Chair, the gentleman from Wisconsin, who has been seeking recognition, has been a Member of the House for 10 years, and the gentleman from Tennessee is a Member whose service began only this year.

The CHAIRMAN. The Chair would refer the gentleman to the official list of the members of the committee, which the Chair has before him.

The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. SUTTON to the Gore amendment: On page 8, line 13, strike out section 7 and insert in lieu thereof the following:

"Sec. 7. Titles II and III of the Agricultural Act of 1948 are repealed."

Mr. GORE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. Mr. Chairman, when the gentleman from Illinois [Mr. SARATH] first presented the rule to this body I stated that I would offer an amendment to repeal the Aiken Act. That is exactly what I have done here. To any substitute that is offered for the Gore amendment or the Pace bill or any other bill I shall offer the same amendment. I am indeed glad that the gentleman from Tennessee [Mr. GORE], has agreed to go along with the repeal of the Aiken Act.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Tennessee.

Mr. GORE. I accept with pleasure the amendment of my distinguished colleague from Tennessee. I have just read the amendment at the Clerk's desk. The amendment strikes out the final section in the bill, which postpones the effective date of the so-called Aiken bill, and inserts a provision repealing titles II and III of the 1948 act, generally known as the Aiken bill. My young friend from Tennessee has made a valiant fight and has worked hard for what he conceives to be in the best interest of the farmer. I withdraw my point of order, Mr. Chairman, and am glad to accept the gentleman's amendment.

Mr. SUTTON. I thank my colleague from Tennessee. I believe he and I take the same position with regard to the Aiken Act, that it is a monstrosity, that it is one of the most damnable things that was ever forced upon the American farmers. It is an act which will bring about the slow starvation of the agricultural people of America.

May I point out some of the things the Aiken Act does in comparison with the present program and the committee bill. Under the Aiken Act, corn could be 85 cents a bushel. Under the present program it could be \$1.41 a bushel. Under the Pace bill, not the Brannan plan but the Pace bill, corn could be \$1.46 a bushel. Cotton under the Aiken bill can be 16¼ cents a pound. Under the present program it can be 27.34 cents a pound. In the Pace bill it can be 27.99 cents a pound. And so on all down the line you will find that the Aiken bill is a club over the farmers of the country. It is a monstrosity which should never have been brought into this Chamber or any other chamber on Capitol Hill.

I do not believe that Senator AIKEN realized what he had in the bill and I do not believe today that if he knew what it would do to the farmer he would insist on it. I am delighted to see that my colleague the gentleman from Tennessee [Mr. GORE] has accepted this amendment. And since he has accepted it and the issue is clear before us, with the acceptance of this amendment the issue narrows down to one of two things: we are either for our present program, plus the repeal of the Aiken bill or we are for the Pace bill.

Much discussion has been had over the Pace bill. There is one observation I

would like to make. I do not think the press of the country, including the radio commentators, have been just and fair to the Committee on Agriculture of the House of Representatives. They have condemned this program as the Brannan plan. I am glad that the press is in this Chamber and can realize what I am saying, because I want to tell them that this is not the Brannan plan, it is the Pace bill, drawn up by the subcommittee of the House Committee on Agriculture, of which I am proud to be a member, and proud to have had a part in bringing this Pace bill to the floor.

I would like to direct these few remarks to my southern friends. I want to repeat a few statements I made on yesterday. I wish every one of them was out of the cloak room and in this Chamber and on the floor, so that I could ask them this question. I cannot see how my good friends from Mississippi, and how my good friends from Alabama, and how my good friends from Georgia, and my good friends from Texas, and the other cotton-producing sections of this great country of ours can go back home to their people and tell them, "I voted against the Pace bill," when the Pace bill will permit the farmers of the country to have a support price on their cottonseed at \$67.50 a ton, where the Gore bill provides no support. How can you go back to your farmers and explain that? How can you, Mr. WHITTINGTON, go back to Mississippi and tell your people down there, "I had a chance to give you \$67.50 a ton for your cottonseed, yet I voted against it." How can my friends in the tobacco sections, and I am proud that I am from a tobacco section, how can you people in Kentucky and you people in North Carolina, and you people in Tennessee, and you people in Georgia, and you people in Maryland—how can you go back to your people and say, "Well, I had a chance to give you 49.6 cents a pound for your tobacco, but I did not want you to get that. I wanted you only to get 41.1 cents a pound."

How can you go back and tell your people, "I wanted to cut your price on tobacco 8½ cents a pound?" I cannot tell my people that, I am not going to go back to the Seventh Congressional District of Tennessee and tell the old farmer friends of mine, "I am going to cut the prices on your commodities," I want my people to prosper. I want my people to get as much for their products as they can, so that they can buy the cars from you people in Detroit, so that they can buy refrigerators from our people in Chicago, and so that they can buy electrical products from the people in New York. I cannot go back to my people and—feel at home unless I do everything in my power to get them just wages for their honest toil. They are justly entitled to the increases provided for in the Pace bill. Far be it from me to ever deny them of their just dues. May I say to you farmers from the Midwest, and I want to say to my friend the gentleman from Wisconsin [Mr. MURRAY], that he is an able man and an able member of our committee. I am glad he is on our committee, but I want to say

how can he go back to his hog-producers and tell those farmers out there, "I had an opportunity to get \$19 a hundred for your hogs, I do not want you to have that much money. I just want you to have \$16."

How can my friend go back and tell his constituents that? How can my friend go back and tell the farmers of that section?

I do not want the farmers of this country to have an increase in price for their eggs. I want the middleman and the broker to have that increase.

That is what your egg program does today. The farmer does not get the advantage of that price support. When the Government goes in and buys up these eggs, who does he buy from? Does he buy from the farmer? No, he does not. He buys them from big business. No wonder my Republican friends are against this bill. I am for the common man. I am not for special interests. If there is any payment of any support price for eggs, let it go to the farmer instead of the middleman.

Let us look a little further. Who do you want to help? Do you want to help that middleman and big business? As for me, I want more money for my farmer friends. I want them to have the money that is rightfully theirs instead of the middleman and the broker. I understand why some of my friends are interested in carrying on the present program. I can see why some of them want the middleman to get this money, because they are middlemen and the sponsors of big business themselves.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. SUTTON] has expired.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. MASON. I object.

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I join with the distinguished gentleman from Tennessee [Mr. SUTTON] in wishing to take the Aiken bill off the books, once and for all. The trouble with the bill, to start with, it was written down here in the Department of Agriculture. That is enough reason for being against it.

I would not take this time, but the gentleman from Tennessee [Mr. SUTTON] wondered what I would say when I got back home to my constituents. Well, I always tell them the truth. If you tell them the truth you know it and you will remember what you said. I will say, "Surely, the gentleman from Tennessee got up and told of some great things. He said he would get 19 cents for hogs." He did not tell about the little gadget that was in there that took 10 percent off that price. He did not tell about the little gadget in there that can raise the price of feed. These gadgets may result in a support for hogs less than that pro-

vided in the Gore bill. Surely I know that the Pace bill has that bait in it. It sounds nice.

I am looking forward to the next campaign when some fellow will get on the radio and say, "You could have had 67 cents for butterfat, but your Congressman wanted only 59." I do not like to be accused all the time of being for the farmer. I have an idea that there are some folks in this world besides farmers. I have to represent consumers as well. The farmers of this country purchase 40 percent of the manufactured goods of this Nation. All the farmers I have contacted are satisfied with the present support law. The only thing they would like to do would be to buy the things they buy on the same index that they sell their commodities on.

One thing more I will tell them, and I tell it to them now. I shall tell them: "You can't believe what those Fair Dealers tell you. They promise you a lot of things but their promises do not amount to much. It is the performance that counts."

You have heard me say more than once, "Go out and give them something besides promises, because you are not living up to your promises at present." Today the farmers of this country at the present rate are going to lose a quarter of a billion dollars. That is more than all the peanut crop is worth, more than all the rice crop is worth, and some other crops. Why? Because the present law is not being followed. The gentleman does not have to tell me what to go out and tell my people. I have been in politics long enough to know what to tell my people; I shall tell them the truth; I shall not indulge in a lot of fancy explanations but tell them the truth as I have during the 10 years I have been here. If I had to do anything else I would not be here, I would just retire. Let us just tell the people the truth; let us not deceive them. The plain truth is that we are not doing at the present time what the law says we should do, and the people in Wisconsin are going to lose \$50,000,000 to \$70,000,000. The Secretary of Agriculture is to go out to Wisconsin on the 31st day of July 1949. I told the Commodity Credit Corporation yesterday, "You had better get that straightened out, follow the law and give us the proper support price on cheese and milk, give us what the law says we should have or I do not think the Secretary should expect a too hearty welcome."

So I say to you, let us not fool ourselves or our people either. When we fail to recognize the fact that the administration is not carrying out the laws we have, we merely show how ineffective the present Eighty-first Congress really is.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to correct an inadvertence on my part. The bill on page 4 defines shorn wool, including mohair. It should have been in the section I submitted. I ask unanimous consent to insert in parenthesis the words "including mohair," after the words "shorn wool."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, reserving the right to object, does the gentleman state that he omitted shorn wool and mohair in his amendment?

Mr. PACE. No; the support price on page 4 is on shorn wool and mohair. In submitting my substitute I made the error of not including mohair. I am just trying to correct it so that both will be covered.

Mr. AUGUST H. ANDRESEN. Was that one of the provisions agreed to by the majority when they had their meeting or was that agreed to in the full committee?

Mr. PACE. That was agreed to in the full committee.

Mr. AUGUST H. ANDRESEN. Then I will not object.

Mr. GORE. Mr. Chairman, reserving the right to object, and I shall not, I have discovered a typographical error in the amendment which I offered. Will the gentleman amend his request to make the year on page 4, line 2, read "1951" instead of "1950"?

Mr. PACE. I shall be glad to incorporate that also.

Mr. GORE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to modify his amendment by adding on page 4, after the words "shorn wool" in parenthesis the words "including mohair"; and on the same page to change the date "1950" to "1951."

Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words and ask unanimous consent to proceed for five additional minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I think we should come to an agreement right at this point as to whether all of us are going to have time to speak on these major amendments. I certainly will not object to the majority leader's receiving this additional 5 minutes, but I wish to ask the chairman of the committee what is going to be his intention relative to closing debate?

Mr. COOLEY. We want the matter fully considered and debate will continue as long as necessary for the Members to be heard.

Mr. H. CARL ANDERSEN. There is no present intention to close debate?

Mr. COOLEY. We will try to close debate at the appropriate time later in the day.

Mr. H. CARL ANDERSEN. What does the gentleman mean by "appropriate time"?

Mr. COOLEY. We want to finish the bill some time today, if possible. I think the gentleman will have ample time to be heard.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. McCORMACK. Mr. Chairman, it is about time that somebody in this de-

bate say a few words for a forgotten class in America—the consumer. I have sat here and witnessed the division among Members of the House representing agricultural districts. I see men in my own party, that we from the cities for years have so loyally followed, rise and make certain statements. It raises a very serious question in my mind as to whether or not we can follow them with confidence in the future. Those of us who have an over-all national interest in mind but represent consumer areas are wondering whether we can follow them with confidence in the future or whether we might feel constrained, in view of the inability of representatives of the agricultural area to serve the farmers correctly in the national interest, that we from the urban districts might feel we have a responsibility to take care of the farmers as well as the consumers, and undertake to write a basic bill for agriculture.

It grieves me to see the gentleman from Oklahoma [Mr. MONRONEY], the gentleman from Tennessee [Mr. GORE], and I on opposite sides. The gentleman from Oklahoma [Mr. MONRONEY] spoke about this committee bill being a trial-run proposition. I spoke on behalf of the first Bankhead Cotton Act which was passed by the House years ago by six or seven votes. The supporters of it asked me not only to vote for it but to speak for it. I did that on a trial basis. When we started the farm program there were only a few basic commodities involved. There was not one of us but what recognized the fact that we were experimenting and that it was a trial run for agriculture, so that it may survive in an intensely industrial country and so that it might receive some compensatory considerations legislatively. I recognize the power of that argument, but I recognized it was also a trial. I have seen it expand. This commodity has been included and that commodity has come in which has made a good, just case. Certainly it has grown far beyond what any of us contemplated back in the early thirties, but it has grown because of necessity. So the original farm program was a trial run and it still is. Only the other day we had a bill reported out of the Committee on Agriculture to include under support prices tung nuts and honey. I do not know whether they should be or not, and my mind is open when the bill comes up. But, it shows that it is still a trial; that we are still experimenting.

I am concerned somewhat about the consumer. When the consumer sees millions of bushels of potatoes—and that is the glaring example—purchase under support prices, and the Department being unable to dispose of them, and they are destroyed, no one can answer any inquiry as to why that is done. And, I know that should be of special interest to agriculture, because you cannot have the people seeing a thing like that done without a reaction which is harmful to the whole agricultural program.

So, no matter what you do, that has got to be met. No matter what bill this House might pass in the interest of agriculture, and speaking for agriculture, coming from an urban district as I do, you should not—I will not say you can-

not, because a majority can do almost anything—but you should not permit any bill to pass this House whereby in the next year or 2 years, under the support-price program, perishable commodities can be purchased, stored, and not disposed of in some way. Something has got to be done. If the committee recommendation is not the answer, come in with some other suggestion. The responsibility rests upon those who oppose the committee bill, as I see it, to bring in a recommendation or suggest an amendment in lieu of those provisions contained in the committee bill.

As I see it, the gentleman from Georgia [Mr. PACE] has ably presented the issue, and that is, if Government will buy food and destroy it. That is indefensible; it is intolerable, and it cannot be understood by any person in America, whether he lives on the soil or whether he works in the factory. Now, that is the main issue as I see it. It is probably apparent that the Aiken repeal will go through. I think about everyone is opposed to the present Aiken bill, whether Republican or Democrat. The question is on the continuance of support prices. I am for it. I am voting for parity prices in the committee bill. But, all I am voting for in addition is to allow an experiment on three commodities, now specifically mentioned, and confined to a time limit to see whether or not through an experiment in those commodities we can give to agriculture the support that is needed in an intense industrial system and at the same time prevent this situation of buying and being unable to dispose of the commodities in any way, bringing about a reaction that ultimately, as everyone of us knows in our own minds, will destroy the whole farm program and bring about a general disrespect for government itself.

I could go into the history of the Aiken bill, but that is unnecessary. We know in the closing days of the last regular session of Congress the situation that arose, but why go into that. That is unnecessary. That is water over the dam. We are faced now with the bill before us. As I see the main issue, it is, What can we do to maintain a sound agriculture, with a proper regard for the consumer? Parity is also included. The question is, How can we maintain proper farm prices and justifiable consumer prices when the Government is compelled to step in, and not have a situation develop such as did develop in the case of potatoes?

That is a constant threat to agricultural legislation that should address itself particularly to you ladies and gentlemen who represent agricultural districts, entirely or in the main. We from the urban districts have supported you. We did not consider the question of politics. When my good friend the gentleman from Kansas [Mr. HOPE] proposed things, we supported him. We supported him all along the line.

We recognize that the solution of the agricultural problem is an important part of our national economy and in maintaining a strong national economy. It is vitally important to the success of our country. We view it from the broad

angle. But, again, you cannot have the situation continue, as I see it, without there developing by way of reaction a public opinion that will demand that farm legislation be repealed or seriously impaired.

So I say, Mr. Chairman, that the problem rests upon the shoulders of all of us, particularly those from agricultural districts, if you repudiate the committee bill, to offer some amendments so that a situation such as occurred in the case of potatoes will not occur again.

Mr. HERTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my colleague the distinguished majority leader has just made a plea on behalf of the administration bill, using the American consumer as the individual to be benefited under this bill. I am wondering whether he has read the bill. I am wondering whether he has discussed or wants to discuss in any way one part of this bill that so far has been almost completely overlooked. It is that part of the bill which the consumer of the United States has every right to look at.

There are two controversial provisions in this bill. One is the experimenting on three unknown commodities, the other is the fixing of an entirely new parity formula.

If Members will refer to the report of the committee on page 17, they will find the comparative prices to the consumer under the new parity formula. Eight of the ten basic commodities are increased.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. PACE. Would not the gentleman want to modify that statement by saying it fixes the parity prices and not necessarily the support levels except as to the 10 commodities in the first section of the bill?

Mr. HERTER. That is quite true. I was about to say that under this bill there is compulsory support at 100 percent of parity figured under the new formula as against the existing 90 percent of parity under the old parity formula.

On page 17 of the report you can see the comparable prices. I just want to take one that I think those who live in large city districts may have to account for to their constituents, and that is butter. The price of butter fat under the support price here is increased just under 9 cents per pound. In other words, with the adoption of the new parity price here every consumer in the district of the majority leader and in my district is going to pay 9 cents per pound more, for butter is a basic commodity.

They are going to have to pay approximately 70 cents more per 100 pounds of fluid milk under this formula. They are going to have to pay more for corn and for rice. In other words, the consumer is going to have to pay more, except for two minor changes, one being wheat and the other peanuts, where the change is infinitesimal, because there is a new parity price fixed which is considerably higher than the existing parity price. I do not think the plea for this bill can

be made on the ground that it helps the consumers.

Throughout the hearings before the Committee on Rules on this legislation we did our best to find out what the three commodities were going to be on which the experiment would be tried. The committee admitted freely that they did not wish to specify the three commodities because if the Congress specified the commodities and the experiment did not work out well, then the blame would be on the Congress and not on the Administrator. Hence it was left up to the Administrator to make the selection. Then they limited the choice in the selection of the three commodities by saying that no commodity could be chosen which, if it dropped in price, might affect the price of another agricultural commodity. How you can find any single commodity that is going to do that is a little beyond me. Somewhere, somehow, the Secretary of Agriculture is going to have to do some awfully tall research work to find that the drop in price in the open market of one commodity is not affecting some other commodity.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. AUGUST H. ANDRESEN. The original theory of the Brannan plan was that milk, which is now selling for something like 21 cents a quart to the consumers, should be allowed to sink to its market level. He said it should be 15 cents, which is a 6-cent drop from the 21 cents. The farmer was supposed to get the 6 cents from the Federal Treasury. For every cent drop in price it would cost the Government \$150,000,000, and if it was brought down 6 cents, it would cost \$900,000,000. If you figure out the same formula for all milk, it would cost the taxpayers \$2,700,000,000.

Mr. HERTER. The gentleman is quite right. However, milk is specifically excluded from being one of the three products mentioned here, so the consumer is going to have to pay an additional price.

Mr. AUGUST H. ANDRESEN. Yet they say that is for the protection of the dairy farmers of the country.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we know now, of course, what the three commodities are upon which the price will be supported by payments. Therefore, we are not in the dark, and we can discuss those particular commodities, which is perhaps a good thing.

It seems to me, however, the commodities selected are not particularly good commodities upon which to support a trial run program. A great deal has been said on the subject of potatoes. The distinguished minority leader spoke about the potato program, and other Members have held that up as a horrible example of the kind of program which we have under existing legislation. Yesterday I called attention to the fact that as far as the cost was concerned, if we had had the Brannan plan in operation last year, and it had operated just as it did operate, except that it was a payment program instead of a purchasing program, the cost, according to the Secre-

tary's own estimate, would have been twice what it was, or would have been \$450,000,000, instead of \$225,000,000.

Something has been said about destroying food and destroying potatoes. I submit there was not a person in the United States last year who wanted to buy potatoes who was not able to do so at a reasonable price. That is, if we accept the theory which I believe most people do, that parity prices are fair prices. Potatoes, of course, were supported at 10 percent less than the parity price.

I do not know of any potatoes being destroyed. Potatoes were fed to livestock. Alcohol was manufactured out of potatoes. Starch and other by-products were manufactured out of potatoes, but I know of no potatoes which were destroyed.

If we had had the Brannan program for payments on potatoes in existence, I am convinced there would have been no greater consumption of potatoes, because potatoes are not a commodity like dairy products or meats which the people buy according to the price that is prevailing. Potatoes are the cheapest food that we have, as far as calories are concerned. The consumption of potatoes, year after year, has been almost constant, no matter what the price was. Our people would not have eaten any more potatoes, no matter what plan had been in effect last year. No potatoes were destroyed that people wanted or needed to consume. As a matter of fact, under the program, Government and local charitable institutions received potatoes by merely paying the freight on them. So that there were potatoes consumed under those circumstances that did not cost those who consumed them anything. That is, poor people in the charitable institutions were able to get potatoes for nothing.

So, as far as the potato program is concerned, there is no advantage to be gained by shifting at this time to the Brannan plan of payments. If experience counts for anything, I think it will cost a great deal more to carry out the program under the Brannan plan than it has under the existing operation.

Most of the discussion has been on the potato program in past years. Not much has been said about the program this year. This year it is operating under exactly the same provisions as are contained in the Gore amendment. It is operating this year in the way that the potato producers of this country want it to operate. They asked us to pass the present legislation putting a support price of 60 to 90 percent upon potatoes.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HOPE. We followed the request of the potato producers. They have recently appeared before the committee. They have stated they are thoroughly satisfied with the program this year. They pointed out that so far it has cost only 20 percent of what last year's pro-

gram cost up to this time, and they are asking that for the time being it be continued. They are opposed to the Brannan plan. They are opposed to the payment plan in the Pace bill.

So those of you who are representing districts in which potatoes are an item, if you are voting for what the potato producers want, you will vote for the Gore amendment and not for the Pace-Brannan plan.

If you are representing consuming districts, I am sure there is no one in your district who will get any particular advantage from the adoption of the Brannan plan, because, after all, the amount that the producer gets for the potatoes amounts to very little in the price that the consumer pays. Most housewives who go into the stores today to buy potatoes buy them in 5- or 10-pound packages. The general over-all costs that go into the transportation, distribution, packaging, selling, and retailing of potatoes are what add up and make the cost.

I repeat that no one went without last year, because of the cost, and no one this year will go without potatoes at a reasonable price, no matter which program we adopt.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that if potatoes are in short supply in some parts of the country, and the price is high, the Department of Agriculture, under the Commodity Credit Corporation Act, has authority to put some of the potatoes which they had purchased into the channels of trade in those areas?

Mr. HOPE. Yes, to prevent them from spoiling.

Let me just say this in the moment remaining, that as far as the egg program is concerned—a 5-cent subsidy payment on eggs will cost \$200,000,000. A 10-cent subsidy would cost twice that much. That is on the basis of the production last year. If we have a payment program which stimulates production it will cost much more.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. PACE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will have to say that if we proceed with that sort of understating I do not know where we are going. To begin with, this year in the potato program, which the gentleman from Kansas has approved, we have not reached anything but the short production areas, and on that basis it is estimated that they are going to lose \$45,000,000 on potatoes. That is still a good deal of money; and the best authority I can get is that even with the support down to 60 percent of parity we are going to have to buy this year and give away or feed to the hogs between \$50,000,000 and \$100,000,000 worth of potatoes.

I believe it is unfair to compare the program under this bill with the program now in existence, because the gentleman from Kansas, I know without intention, failed to mention the fact that under the terms of the Committee bill in fixing the support price for potatoes there

are two things which the Secretary has to take into account. You will find the first of them on line 8, page 5 of the bill. In determining the support price for potatoes the Secretary must take into account the supply of the commodity in relation to the demand. On line 14 it states that he must take into account the ability and willingness of producers to keep marketing and supplies in line with demand. The present law only provides that the Secretary shall fix production goals and marketing practices, but the gentleman knows as well as I do that it has not operated.

The gentleman knows as well as I do that he received three letters from Clint Anderson as Secretary of Agriculture telling him that it would not operate; and the gentleman also knows—let us at least read the bill, will not everybody agree to do that, to read the bill?—in addition to the fact that the Secretary must take into account the supply and demand, in addition to the fact that the Secretary must take into account the ability and willingness of producers to keep supply within demand, in addition to those things, if you look at the bottom of page 7—now, listen to this, please: In carrying out the provisions of this section compliance by the producers with acreage allotments—there is no such thing in title I—production goals and marketing practices, marketing agreements and order, and marketing quotas when authorized by law, as prescribed by the Secretary, may be required as a condition of eligibility for price support. Now, I am willing to match the statement made by my distinguished friend from Kansas when he said that under the committee bill the potato program would cost twice what it did last year, I am willing to make the statement on my considered judgment that if you put the potato program under the committee bill next year it will cost no more than 10 percent of what it cost in 1948. That would be \$22,000,000. That is my mature, considered judgment. The Secretary of Agriculture, under his authority, can keep the production within reasonable limitations and stop this enormous cost and destruction of potatoes. That is why we put this authority in the bill. If that is done under the direction of this committee, the potato program next year should not cost as much, and certainly not more than 10 percent of what it cost in 1948.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. To what?

Mr. ABERNETHY. To the Gore substitute.

The CHAIRMAN. That is not in order at this time until we dispose of the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Is not any perfecting amendment in order but you would vote on them in the order in which they are presented and assuming there may be a limitation of time, is it not

proper to offer an amendment if there be no other perfecting amendments?

The CHAIRMAN. Only one amendment to the Gore amendment may be pending at any one time. The Chair will state that the Sutton amendment must be disposed of first.

Mr. WHITTINGTON. Could we not have the amendment read for information?

Mr. GORE. Mr. Chairman, if no Member wishes to speak on the Sutton amendment, would not the Chair put the question and let us vote on it?

The CHAIRMAN. If no Member desires to speak on the Sutton amendment, the Chair will put the question.

Mr. H. CARL ANDERSEN. Mr. Chairman, I desire to speak on the Sutton amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have just returned from the Northeast where one of the most devastating droughts in history has stricken the dairymen of my section. The fields up there which should be green at this time of the year are burned as brown as some of those Colorado mountain tops you can see when you approach them from the east. It is a very serious situation, and we are going to need hay up there.

I hope we can get as sympathetic a hearing as we gave the mountaineers and the shepherds and the cattlemen out in the far West when they were stricken. Certainly we have had no sympathetic hearing so far. Ten years ago when we were faced with a similar drought, and we were unable to get the free hay that they have out there, that they were able to get during the winter, we had to go out and pay 40 or 50 dollars a ton for our hay.

I may be speaking a little ahead of time, but when the effects of the drought are felt next winter and our dairymen do not have any hay, I hope that the House will give me as sympathetic a hearing as it did some of the representatives from out West.

Mr. Chairman, I would like to read a discourse I had on the general farm program with Secretary Brannan when he came before the Committee on Agriculture a few weeks ago. I am quoting from the hearings so there cannot be any question among the sundry wiseacres about whether these remarks were made. It can be found on page 162, part 2 of the hearings:

Mr. HALL. Of course a lot of us feel that there is too much of a gap between the price received by the producer of milk and the final cost per quart of milk to the consumer. Did you anticipate doing anything with that stretch in there?

Secretary BRANNAN. We are not proposing as a part of the price-support mechanism that you will actually go in and try to examine the markets and see whether unreasonable margins are being taken out of the handling between producer and consumer. Study of this problem is authorized by the Research and Marketing Act and our studies will indicate ways of improving the situation. However, it is not involved specifically here.

Mr. HALL. I want you to know that I endorse your idea of 15-cent milk to the consumer. However, I would like to get a little

further information as to how you propose to carry it out.

Secretary BRANNAN. Under the rules of trying to be equitable we would make it apply to all sections.

Mr. HALL. You do not contemplate making the producer give any ground whatsoever in the proposal?

Secretary BRANNAN. None, except as the parity formula itself may require that.

Mr. HALL. But you do feel that the program you propose will bring about the reduction of the price of milk to the consumer by the quart from, we will say, 22 or 23 cents down to 15 cents, thereby increasing production and making this vital commodity available to many more of our people?

Secretary BRANNAN. It might not have to move as low as 15 cents in order to get your maximum production moving, but I suggested that as the area in which it may have to move.

Then there is a differential between whether you buy it with delivery from the wagon to your door or in the grocery store. That is the reason I did not set my finger specifically on 15 cents. It would be somewhere in that range, maybe 1 or 2 cents above it.

Mr. HALL. I think a great many people will be friendly to the idea of milk at 15 cents a quart if it can be put into effect. There may be some difficulty involved before we can arrive at that accomplishment.

Secretary BRANNAN. We did stick our necks out to say it was feasible. I hope we are right.

Mr. HALL. I would say it couldn't be any higher than 15 cents, if you want to justify the expenditure of the vast sum it will require. I can well recall a decade ago as head of a family of six children and having had to purchase milk for them for the past 10 to 19 years. I can remember going out 12 years ago to one of the neighboring farms in my area and getting milk and carrying it back in a 2-gallon can, and the average price of the milk was 25 cents per gallon. In those days we could afford to raise children. Today it is pretty difficult to do it under the circumstances.

I just want to say this in conclusion that to my way of thinking if you are going to spend millions of dollars under the Brannan plan, the only fair way is to knock the price of milk to the consumer to 10 cents a quart. I would like to see that done.

Mr. LOVRE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

[Mr. LOVRE addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mrs. DOUGLAS. Mr. Chairman, I move to strike out the last word.

(Mrs. DOUGLAS asked and was given permission to revise and extend her remarks.)

Mrs. DOUGLAS. Mr. Chairman, I am going to support the Pace bill. I will vote for the Sutton amendment in the belief that that is the quickest way to get to a vote on the Pace bill.

Why do I support the Pace bill? Why do I rise now to speak on an agricultural bill? Because I have something to say

which I hope will be a contribution. The gentleman from Tennessee [Mr. GORE] stated to the House yesterday that in offering his amendment to continue the program as it is without changes, we would be continuing a program which we have carried on for the last 16 years. He said 16 years, but that is not true. I am sure the gentleman did not mean to misrepresent the situation, but I am afraid he was carried away with his own argument. The price-support program was first initiated in 1933, as the gentleman from Tennessee [Mr. GORE] has indicated. But the price-support program we have today is not the price-support program of 1933.

The price-support program was originally a part of the general program for economic recovery that was undertaken by the Democratic administration after it took office in 1933. The original program was one of insuring farmers against economic disaster—against the mistakes and tragedies of the twenties.

When the war came along in 1941, the support program was greatly increased. Why? In order to get greater production from our farmers. A support-price program of 90 percent of parity was put into effect not only to feed ourselves, but to feed our allies, so that those who were resisting the Germans would have food. Our farmers went to work. They produced the food that was needed without which we could not have won the war.

In 1933 support prices were initiated for only a few basic commodities. In 1941 Congress not only increased the support prices for these basic commodities which we were supporting through the thirties, but Congress passed the Steagall amendment which guaranteed price supports for such foods as turkeys, chickens, eggs, butterfat, and so forth.

So you see the present price support program is not the one initiated 16 years ago—far from it.

The Steagall commodities were included only as a wartime measure in order to bring about a greater production of food. The promise the Congress made to farmers of the country was to this effect: "If you will come along—if you will gamble with us, even after the experience you had after the last war, we, the Government of the United States, we, the people in the cities, we, who stand together with you to win or lose in this tremendous experience of war, which is threatening the world, we will stand by you. We will see you through."

What has happened since 1941? Agricultural production has increased one-third over the average in the thirties.

In our Committee on Foreign Affairs we sit day after day considering such problems as the Marshall plan. What percentage of our agricultural products were exported before the war? Two and six-tenths percent of our agricultural products. What did we export in 1947? The percentage was 8.7. In 1948 the average ran about 7 percent, or a little over 7 percent.

Economic collapse faced Europe at the end of the war. We came to their aid first with the UNRRA program and then with the Marshall plan. The UNRRA program was designed to give them relief; the Marshall plan to get them back

on their feet. It is hoped that we will reach the goals that have been set by 1952.

May I point out, however, that the UNRRA program and the Marshall plan, buying as they have, farm products have permitted us to put off a revamping of our price support program.

I for one think that the time has now come to turn our attention to the farmers and their needs. We hope that by 1952 when the Marshall plan comes to an end, that a basis for sound trade will exist and that there will be healthy trade relations between ourselves and Europe.

However, I think it is overly optimistic to expect that Europe will be able even in 1952 to import enough food from the United States to take care of all our surpluses.

European countries will have increased their own production of food. Other areas of the world will have recovered from the war and will be producing food for export. Even if the most optimistic hopes are realized, there will still be a shortage of dollars in 1952. Since Europe must have industrial materials from the United States, with the dollar shortage they will have to use those dollars for industrial materials and it is reasonable to suppose they will go elsewhere for some of their food imports.

The gentleman from Georgia [Mr. PACE] is trying to tell us, or so it seems to me, that we must have a new plan if we are to absorb the farm surpluses of this country—if we are to avoid serious economic trouble. We have changed our farm program in the past to meet changing needs. We must change it today if we are to realistically face the future.

A sound, long-range farm program must benefit not only the farmer but the consumer. And that is exactly what the Pace bill seeks to do.

Now it is not just the potato program we should be worrying about although most of the discussion has been about potatoes.

What are you going to do with this one-third greater production in agriculture? That is the question that must be faced.

The CHAIRMAN. The time of the gentleman from California has expired.

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. DOUGLAS. The Committee on Agriculture has brought in a program that is a pilot program. If it works, we are all set. If it does not work, do you think the Congress of the United States is going to continue it? I think the trouble with some people is they are afraid it will work.

This is not just a farm program. How does it affect my city people whom I have the privilege to represent? Let me read to you a few figures that we all know but perhaps have forgotten. Between 1929 and 1933, when the depression came, what happened? Big business could control the situation in their plants. They cut down production, and by cutting production low enough they

were able to keep the prices from falling too low. In the automobile industry production was cut 80 percent. Prices dropped only 16 percent.

In the steel industry production was cut 83 percent but prices went down only 20 percent. Working people, whether in the factories, the shops or the offices in the cities were thrown out of work.

What happened to the farmer? The farmer could not cut his production because if he did he was on the road. Farm production went down only 6 percent, but how much did prices go down? They went down 63 percent. And that is the story. The fate of the farmer and the fate of the average consumer in the city are inevitably and irrevocably joined together.

The CHAIRMAN. The time of the gentlewoman from California has again expired.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ABBITT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Sutton amendment. We have all heard the matter discussed very profusely. I think it vitally important to the country and to the welfare of the farmers that this amendment be adopted. None of us in this House, with a few exceptions, desire the Aiken law to ever actually become the operative agricultural program of this country. It was passed through necessity. I could suggest what kind of proceedings might be had to ascertain its paternity, but I will not. The only reason the Aiken law was enacted was through necessity. We heard the gentleman from Georgia [Mr. PACE] say that it was necessary to have some bill because the entire farm program would have fallen through otherwise on December 31, 1948. I say the Sutton amendment does not go far enough. It repeals the Aiken law and extends the present Agricultural Act 12 months unto January 1, 1950. It is my intention at the proper time when I can secure recognition to offer another amendment to the Gore bill extending the present law, permanently. In other words, why extend it for 1 year so that next year when we come here, if the Gore bill is passed, that we will of necessity have to take some other action? All of us agree that there are a number of changes that should be made, that can be worked out, but I for one think that we should have some permanent legislation and let that legislation be amended from time to time. I see no necessity or excuse for extending it for 12 months so that when we come back here next year it will again be necessary to accept some substitute that none of us desires. None of us desired the law we had to accept, and I hope that it will be the pleasure of the members of this Committee to go along with us on the further amendment to the Gore bill. Then if the Gore bill, as amended, is passed—and I do not express any opinion at this time about it—you can amend it, you can change it in any way you desire, and the Aiken bill on the expiration

of a program will not be held as a club over the heads of the Congress any more or over the heads of the farmers of this country, thereby compelling us to adopt a program that none of us wants or likes.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the requisite number of words and ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I am not going to lie to the farmers or any other group. Should I again be a candidate for Congress and should the voters of my district decide to retire me to private life because of my position on legislation, I would regard such action as being of little importance to me personally. What really matters to me is that when my service in Congress has ended the RECORD will show that I did what was within my very limited capacity to save the children, born and unborn, from the slavery New Dealism is imposing upon them.

The Pace bill, H. R. 5392, which embodies a part of what is called the Brannan farm program, is exactly what its opponents here on the House floor and elsewhere have claimed—socialism and regimentation of the farmers so completely as to reduce them to a state of abject servitude and a capital fraud upon urban families.

However, every argument that has been brought against the Brannan scheme applies with equal force to the substitute offered by the gentleman from Tennessee [Mr. GORE].

The triple-A law, of which the price-support provision is an integral part, empowers the New Deal to dictate to the individual farmer the kind and amount of crop or commodity he can produce. That act, if left on the statute books, will eventually without any additional legislation completely strait-jacket the farmer. The Brannan proposal, if enacted into law, could do not more than hasten the process.

Complete political control of farm production, marketing, and prices is inherent in the triple A law. The New Dealers planned it that way. And that they are obsessed with the urge to effectuate this end as quickly as possible is all too evident. If the farmers needed anything more to disillusion them, surely the Brannan proposal ought to be it.

There just is no such thing as partial political or socialistic planning of agriculture or any other segment of the economy. Once such planning is begun in any part of the economy it generates its own steam and all the forces making for the destruction of private-property ownership and free enterprise are set in motion. This in turn stimulates class strife, discontent, and misery, the very lifeblood of socialism, which in reality is nothing but political power anyway.

Yes, farmers, likely most of them, believe they have prospered under the New Deal. They have paid off several billion dollars of farm mortgages, improved and painted their buildings, and constructed

new ones, bought refrigerators, deep-freeze equipment, new automobiles, and a quantity of all kinds of gadgets, household supplies, and up-to-the-minute farm machinery.

This has, of course, induced a sense of well-being among farmers and has had the effect of influencing them to support the New Deal.

Nevertheless in talking this matter over with farmers I am convinced that many, if not most of them, harbor a suspicion that the prosperity which they have been experiencing may not be all it seems. Some see through the scheme and recognize it for precisely what it is—a socialistic device which if not abandoned soon, promises to reduce them or their children to slavery.

One must be careful to guard against being misunderstood when one says the New Deal cannot give farmers or other groups something for nothing. In the long run, to be sure, it cannot do this but it can so long as the reserves or fat last which, as time goes, must be of short duration indeed. It is accomplished by mortgaging posterity, confiscating the goods of some groups and giving them to farmers along with others, and by expropriating the savings which are normally plowed back for investment in tools of production and arbitrarily distributing them to favored groups.

Whereas the share of the farmers' indebtedness on a per capita basis owed to the Federal Government in 1932 was approximately 12 percent of the total value of all farm land and buildings, machinery and equipment for production, crops held for sale, livestock and poultry, totaling about \$5,500,000,000, the farmers' share of the indebtedness to the New Deal in 1948 was about 55 percent of the total value of all such farm property, or roundly \$48,000,000,000.

To put it more succinctly, in 1932 the Federal Government held a mortgage against all farm property amounting to 12 percent of its value which proportion had more than quadrupled by 1948. But the situation is much more alarming. This farm mortgage indebtedness to the New Deal is predicated on the listed Treasury debt statement, \$252,000,000,000, but the Federal debt far exceeds that figure and is rising daily.

Deficit spending and lending, which is at the heart of New Dealism, is altogether a process of appropriating the goods of some groups and giving them to others. The New Deal lends money for various economic ventures. It has no money of its own, of course, and can obtain it only by somehow extracting it from private sources. The redistribution of wealth through New Deal lending has been, as all know, enormous. The New Deal has almost annihilated risk capital, mother of America's outstanding agricultural and industrial achievement and standard of living. Our tools of production are wearing out faster than they are being produced, which process, if not quickly reversed must eventuate in destruction of the standard of living.

A war was necessary to give semblance of curing the depression, which is about

the same thing as saying it was necessary to put our children in debt bondage to political power in order that the present generation might enjoy an artificial and shortlived prosperity. The cost of the feverish and halting economic gains made before the war that can possibly be credited to the New Deal, were also charged to posterity. Of course, back of it all was the greed for political power, not improvement of general well-being.

Farmers, like all other economic groups, are being euchered out of their property and heritage, liberty.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: Strike out the word "shorn" wherever it appears in the Pace substitute.

Mr. FORAND. Mr. Chairman, the word "shorn" appears together with the word "wool" in the Pace substitute, as it appears in the original bill. I cannot for the life of me understand why a distinction should be made between shorn wool and pulled wool, when you realize that out of the total production of domestic wool in this country which amounts to approximately 127,000,000 pounds a year, 33,000,000 pounds of that is pulled wool. It may be that many of you do not know the difference between shorn wool and pulled wool. I did not know it myself until recently.

Shorn wool, of course, we all understand, is that wool which is taken off the sheep with shears. Pulled wool is wool that is pulled off the hides after the animals are slaughtered. As I say, in this country that amounts to approximately 26 percent of our entire wool production.

I discussed this matter with some of the members of the committee but the only excuse I could get from them for the elimination of pulled wool from the benefits of this legislation was that it was to benefit the packers. I cannot quite see that, because I realize that sheep may be brought to a slaughterhouse, some shorn and some not shorn. If you are going to give the benefit of this legislation to the pulled wool, it means that the farmer who brings his sheep to market is going to get the same price whether he has shorn or has not shorn his sheep. It means that about 26 percent of the wool, as a result of this pulled-wool operation, will be thrown on the market, and thereby most likely will depress or disturb the wool market.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. PACE. Would there be anything to keep the producer from clipping his wool before he offers the animal for sale?

Mr. FORAND. Does the gentleman infer that every little farmer who has sheep is equipped to shear his lambs before he has a chance to market them?

Mr. PACE. Well, I had assumed that if there was valuable wool on the animal every sheep producer would have some clippers with which to shear the wool.

Mr. FORAND. The big producer could do that, but, like the gentleman from Georgia, I do not have very many sheep in my country, but I would say that if 26 percent of the domestic wool is

going to be left without the benefit of this legislation, the farmer who brings his sheep to market unshorn will be the loser, and the Federal Government will be paying the difference to that farmer in subsidies in order to make up that which he would get if he had shorn his sheep.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. WHITE of Idaho. As a matter of fact, lambskin with the wool on it is better than lambskins that have been sheared?

Mr. FORAND. I confess I do not know the difference, but I think I can see what would result if you permit 26 percent of domestic wool to be thrown on the market without any benefit whatsoever, while at the same time you are taking care of the other 74 percent of the domestic production.

Mr. WHITE of Idaho. The thing that puzzles me about the program is that we are putting wool in with perishable commodities. Wool is as durable as cotton. I do not see why wool should be thrown in with perishables.

Mr. FORAND. I hope my good friend will ask that of the committee. I cannot answer that for him.

But I hope that when this amendment comes to a vote the Members will go along with me and realize that we will be depressing and disturbing the wool market and we will be depriving the farmers of a fair return on their sheep if we do not strike from the bill the word "shorn."

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GRANGER. Mr. Chairman, I dislike very much to oppose an amendment offered by my good friend from Rhode Island [Mr. FORAND]. He admits he does not know very much about the sheep industry, and coming from an industrial center I would not expect him to. What he is talking about is not in the interest of the grower at all but in the packers' interest. This is one part of the Brannan plan, one part of the committee bill, that the grower is for. The National Wool Growers Association has heartily endorsed this bill. They are opposed to including pulled wool.

As the gentleman said, pulled wool usually comes from lambs that have been sold for their meat only and not for their wool value. This bill does not preclude in any way the packer who has a lot of lambs, where it will pay him to shear the wool from them. He is at perfect liberty to shear the wool, and the wool thus shorn comes under the provisions of this bill. Otherwise it would not. The inclusion of pulled wool would be a direct subsidy to the packers. They have not asked for it. They have not made any representation for it. If it were a matter of helping the mills in New England, I

do not know that I would not seriously object to it.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. FORAND. Does not the gentleman admit that if a farmer brings a sheep to market that has wool on it, that has not been shorn, and the packer or the slaughterer, whoever he happens to be, does not get any benefit from this legislation, the farmer is going to lose if the wool is on that animal?

Mr. GRANGER. If a farmer had a little band of lambs and the wool was worth it he would shear the lambs. Otherwise, he would not shear them if it did not pay him to do so.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. ABBITT. This being a bill for the benefit of producers, farmers, if it would be to their advantage to shear sheep before they put them into the hands of speculators or into the hands of the packers, it would be comparatively easy for any farm in the country not already so equipped, to equip itself to shear the sheep before they sent them to market. Is not that correct?

Mr. GRANGER. That is correct.

Mr. PACE. Is it not also true that the farmer is not sustaining any loss? He can still offer this pulled wool in the competitive market like everybody else.

Mr. GRANGER. Yes; he is not discriminated against. He can still offer his wool for sale in the market the same as anything else.

Mr. FORAND. Mr. Chairman, will the gentleman yield further?

Mr. GRANGER. I yield.

Mr. FORAND. Is it not true that it is not the packer but the farmer himself who is the fellow who is going to lose if the farmer sells his sheep including the wool?

Mr. PACE. Not under those circumstances; he would not get the benefit of the support price.

Mr. FORAND. The farmer would be the loser.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WHITE of Idaho. Is it not as a matter of fact that in the sheep industry in the Rocky Mountain area the lambs are the big cash crop?

Mr. GRANGER. That is right.

Mr. WHITE of Idaho. Lambs shipped in the fall; and unless they are fed for a long time they are sent to market without shearing.

Mr. GRANGER. The gentleman from Idaho is correct. They are shipped to market unsheared unless they have been fed for a long period of time and are shipped in the spring. Then they might shear them.

Mr. WHITE of Idaho. But it is the regular custom in the Rocky Mountain area that after the little lambs have been born they shear the ewes and the bucks but the little lambs are fed and shipped without shearing in the fall. Is not that the custom?

Mr. GRANGER. That is right.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. HILL. I wish to ask the gentleman this question to get this straight: In the West, in Utah, and in Colorado, we feed hundreds and hundreds of head of lambs and ship these lambs to Chicago by freight. The packers buy these lambs. Now, if these lambs are sold with the wool on them by our feeders they would not get the support price under this bill. Is that correct?

Mr. GRANGER. That is true except in the case where the lambs are fed over a long period of time and the wool is of much value. The packer then shears the wool and does not pull it.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Georgia [Mr. PACE], in his exchange of comments with the gentleman from Kansas [Mr. HOPKINS], made a statement with which I am in complete agreement. He said that he wished every Member of this Congress would read this bill carefully. I rise today to say that I, too, wish every Member of this Congress would read carefully this bill, in detail.

I ask you to refer to the same paragraph to which my friend, the gentleman from Georgia, referred, on page 5 of the bill, if I recall correctly. The Secretary is to take certain factors into account in setting the parity price:

(1) The supply of the commodity in relation to the demand therefore; (2) the price levels at which other commodities are being supported, including the feeding values of other grains in relation to corn; (3) the perishability of the commodity; (4) the ability to dispose of stocks acquired through a price-support operation; (5) the need for offsetting temporary losses of export markets; and (6) the ability and willingness of producers to keep marketings and supplies in line with demand.

Mr. Chairman, as the gentleman from New York [Mr. WADSWORTH], pointed out so ably in his discussion, the price of steers fell but the price of veal calves remained the same; the price of hogs fell but the price of lambs rose or remained firm. The Secretary is required through this formula in the bill to take into consideration all of these extremely difficult and complicated details, and the relation of the prices of various feeds.

If you will read the bill, you will find that the Secretary of Agriculture is given more power than he has been given in any other enactment by the Congress. My suggestion to the gentlemen on the Democratic side of the House is that they had better dig up King Solomon and make him Secretary of Agriculture.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Georgia.

Mr. PACE. Would the gentleman want to recommend that in defending the support level on perishable commodities the Secretary should not take into consideration the supply and the ability of the producers to keep the marketings and supplies in line with demand?

Mr. PHILLIPS of California. I think it is an admirable thing and I would like to see him try to do it. But he would have to take into consideration the use of the different grains in these items to which I referred; he would have to take into consideration factors which are very difficult to compare; then he would come down to item 6, which says he will have to take into consideration "the ability and willingness of producers to keep marketings and supplies in line with demand," which is a very nice way of saying that the farmer would have to agree to the regimentation demands of the party which administered the act.

Mr. Chairman, I desire to speak about something else. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], spoke about the origin of this idea. The gentleman from Georgia [Mr. PACE] stated that this is not a new idea. He said this had been commented upon by a witness, Mr. John Davis of the National Council of Cooperatives, a year ago. May I say, Mr. Chairman, that it goes back further than that and is part of a program of those economists who desire to take us into regimentation.

I hold in my hand the Journal of Farm Economics, of November 1945, volume 27, No. 4, page 737, of the bound edition, which has in it the report of a price policy for agriculture contest, with which you are just as familiar as I am. This contest was inaugurated in January 1945 by a man who was then a dollar-a-year man, I believe, or at least an employee of the War Food Administration, as I recall it. His name is W. H. Jasson. He gave \$12,500 with a stipulation that \$2,500 might be used for the cost of the contest and the remaining \$10,000 for the awards.

We may be interested in the fact that the first award of \$5,000 was given to an economist in the University of Chicago by the name of William H. Nicholls. He called it an integrated farm policy, and it contained the feature which marks the Brannan plan, the feature to which economists refer as "forward pricing." It is an ingenious idea. You determine, or the Government determines, what you should receive for the commodity you grow, and if you do not get that, the Government sends you a check. No trouble, no worry, very little effort. It could easily be carried beyond that; the Government experts, some of whom are probably out of work since the late and unlamented OPA went to join its ancestors—the gold bricks and the Mississippi Bubble—could determine what the income of a farm family ought to be, on varying grades of land, or in different counties. It could even depend a little on how you voted in the elections. If that income didn't materialize, you would get a check from Washington. And all of this is dependent only on two things, the strength of the taxpayers' pocket-books, and the whims of the Congresses which would have to vote the money. Anyway the writer of this essay received \$5,000 for it, in this prize contest. As I said, he was an instructor in the University of Chicago.

The winner of the second prize also came from the same university. In fact, he came from the same classroom, and

the similarity of the ideas in these first two papers suggests that both winners had drunk deeply from the same academic spring. His name was D. Gale Johnson, and he got \$2,500 of the prize money.

There were other prizes. The third prize of \$1,250, went to Frederick V. Waugh, of the United States Department of Agriculture. I have never been sure, Mr. Chairman, how he got into the prize-winning groups. He had, and expressed, the old-fashioned idea that we should stimulate demand. He said:

No price program will work very long without a balance between production and consumption.

And he suggested reactionary methods like giving increased attention to the processing, marketing, and distributing of foods and fibers.

He outlined a national nutritional program; he suggested a foreign-trade program. He did mention the possibility of compensatory payments, which probably put him in line for the money, but the fact that he had the old-fashioned idea that the farmer should work, and give thought to methods of selling the stuff he grows, kept him down to third place, and \$1,250. In fact he sounded more as if he would have voted today for the amendment offered by the gentleman from Tennessee, than as if he felt at home in the rarified stratum of higher agricultural and political economics now occupied by the Secretary, Mr. Brannan, and the gentleman from Georgia.

There were 15 awards of \$250 each, but I have not read those essays. I rise only to remark, Mr. Chairman, that the plan is really not quite as new as the gentleman from Georgia indicated. It is, in effect, the first blossom on the tree of complete regimentation which the college-classroom farmers think is desirable for the United States. I for one, Mr. Chairman, do not agree. I shall vote for the Gore substitute. I shall not vote for the Sutton amendment if it is offered separately. I shall vote against the Pace substitute for the Gore amendment. If the Gore substitute is adopted, I shall vote for the bill; if not, I shall vote against it.

The CHAIRMAN. The time of the gentleman from California has expired. (Mr. PHILLIPS of California asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, the debate has gone rather far afield from the Sutton amendment which was offered to the Gore amendment and which the gentleman from Tennessee indicated he would accept. I am wondering if we could not vote on that at this time.

The CHAIRMAN. The gentleman from North Carolina has not propounded a unanimous-consent request. The Chair has been endeavoring to bring about a vote on the Sutton amendment and would like to put the question if there is no one present desiring to speak for or against the amendment.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Sutton amendment which would repeal the Aiken Farm Act, the act passed by

the Republican-controlled Eightieth Congress in the closing hours of the regular session. If it should go into operation on January 1, 1950, as the law now provides, it would mean low farm prices, depression on the farm, and difficulty for labor and industry. The 60 percent parity scale permitted in the Aiken Act is intolerable and altogether unacceptable.

I should like to take advantage of this opportunity to make a few more brief observations as to the agricultural situation. The farmer is entitled to parity prices for his farm products. He desires, deserves and must have a fair price for his products in the market place and not in the form of a hand-out. The farmer does not want a dole; he wants a fair price in the market place. That is the only proper way, and that is the position which I support.

Reverting again to the Sutton amendment, let me say that the Eightieth Congress should never have passed the Aiken bill, but it should have passed a permanent farm program of a workable character. Take for example this fact. There is no control program on cotton this year. There should have been.

A wise program enacted last year would have saved us from a situation which contains many elements of future danger to the cotton farmers. In some areas this year nearly 90 percent of the cultivated land is being planted in cotton. I do not blame the farmer. He could not be expected to do otherwise under the circumstances. The fault is with the last Congress. We are now threatened with a tremendous over production of cotton. The cotton problem will be a burden from the start with an unwieldy surplus. It will be far more difficult now to devise a fair and workable cotton program.

In conclusion let me say that in the light of the mistakes of the last Congress, the present Congress should do a better job. I am not prepared to say that any pending bill or amendment is perfect, but I feel the pending measures should be fully studied and perfected and that Congress should at the present session pass long-range farm legislation which will promote agricultural and national prosperity.

Of course, we realize that there are many complicated problems in agriculture, and that any program adopted will not be acceptable in every detail.

Mr. HORAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HORAN. I wonder if we could have a clarification of the parliamentary situation right now.

The CHAIRMAN. The gentleman from Tennessee [Mr. GORE] has submitted an amendment to the bill before the Committee of the Whole. The gentleman from Georgia [Mr. PACE] has offered a substitute for the Gore amendment. The gentleman from Rhode Island [Mr. FORAND] has offered an amendment to the Pace substitute, and the gentleman from Tennessee [Mr. SUTTON] has offered an amendment to the Gore amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this Sutton amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that my amendment, the Sutton amendment, be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Sutton amendment was again read.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the Forand amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent that the Forand amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Forand amendment was again read.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FORAND].

The amendment was rejected.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment to the Pace substitute.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY to the Pace substitute: Page 3, strike out line 18 and all down through and including the period on line 4, page 4.

Mr. ABERNETHY. Mr. Chairman, as a member of the House Committee on Agriculture I find myself somewhat at a difference with my colleagues on that committee. It is very embarrassing to me and I deeply regret that the situation exists. It is because of that situation that I have until now, and particularly throughout general debate, refrained from addressing myself to the bill.

There is another situation which prevails throughout this Chamber which I think we should all regret, and that is the politics which has crept into the actions of this body. Farm legislation should never be dealt with in a partisan manner. We are dealing with the lives and the happiness of 25,000,000 farmers—working Americans, overall people, mothers and fathers, and little boys and girls, most of whom live far back from the railroad, far from the better schools, and far from some of the conveniences which most of you and I enjoy today. I regret that partisan politics has lifted its ugly head in our dealings with a program that so vitally affects the lives of these great American people.

I am of the opinion—honestly of the opinion—that they do not want any part of a production-payment plan. Being of that opinion, I was one of those who suggested that if we must have a trial run, then let us make it just that by limiting it to 1 or 2 years and naming the three commodities upon which the trial would

be had. Although this has been agreed to, I still find myself opposed to the production-payment plan and even the trial-run provision. I am not fully satisfied with it.

I represent a district of 201,000 people. Seventy-five percent of those people, probably 80 percent, live on the farms. They are small hill farms, 40-, 50-, 75-, 100-, or 125-acre farmers. I am satisfied—just as satisfied as I can be—with the information that has come to me in the last week, that they do not want a production-payment program or any part of it. Although the trial run does not directly affect them at this time, at least, I do not think it does, they fear its consequences. I cannot put myself in the position of forcing it upon them if they do not want it. I cannot do that. It is most regrettable that I find myself in disagreement with my colleagues on the committee. On the other hand, I am acting in accordance with the will of my farming constituents.

Therefore, I have offered this amendment. If you want to vote for it that is fine; if you do not, that is all right. I have offered an amendment to strike the trial run out of the bill. That is the issue, and we might as well get it settled here and now on the committee's bill. That is the place to settle it, and not with this sideshow that has been carried on around here with other bills and proposals. The place to settle it is on the committee bill.

I say to you very frankly, I think the committee bill, with the exception of the trial-run provision, is the best proposition before the House.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, as I said, I think the committee bill, with the trial run eliminated, is the best proposition before the House. Regardless of what might be said of the new parity formula in the Pace bill, it is in my opinion better than the old 1909-14 formula under which we now operate. The Pace bill modernizes that formula and we should accept it. Perhaps on some commodities it will fix the parity prices a little higher, but on others it fixes them a little lower. The Pace bill will bring the parity formula forward to a modern day.

There are some other provisions of the bill which are far superior to the old law. It is mighty strange to me, and I do not want to be partisan about this, but it is mighty strange that so many of my friends on the Republican side have come forward and so ardently embraced the present program, when last year you were almost unanimous in your condemnation of it and gave us the Aiken bill in its place.

I would like to direct your attention to page 5 of the bill which changes considerably the support which is extended to Steagall commodities. These changes will materially reduce the cost. They will widen the range of support on Stea-

galls, which is now 60 to 90 percent, by supporting them from 1 to 100 percent; and they further provide for not one but six limitations which are imposed upon the Secretary before he can support them. What are they? He must take into account first the supply of the commodity in relation to the demand. He must take into account the price levels at which other commodities are being supported. He must take into account the perishability of the commodity. He must take into consideration the ability to dispose of the commodities to be purchased. If he cannot dispose of them he must take that factor into consideration. He must take into consideration the need for offsetting temporary losses of export markets; and last, but of paramount importance, he must take into consideration the ability and the willingness of producers to keep marketing and supplies in line with demand. These all apply to the people who produce eggs and raise potatoes—those producers who have been dragged through this House for 3 or 4 days. These factors will eliminate the troubles we have had with eggs, potatoes and other perishables. Unless something is done to correct this situation, then I fear for the future of the price-support program.

These provisions are certainly an improvement over the present law. I would like to direct your attention to page 9, subsection (m), and read for yourselves the requirement that the Commodity Credit Corporation shall not sell any farm commodity owned or controlled by it at less than the current price-support level.

After the Secretary acquires certain commodities under the present law he can dump them on the market and absolutely break it; when that happens he breaks your farmers. This puts a limitation on him intended to prevent such an event.

My distinguished majority leader earlier brought out another very important improvement with regard to section 32 funds, the provision concerning which is found in section 5 of the bill.

There are many other provisions in the Pace bill which improve the present law. I think they should at least have your consideration. I feel that they should be adopted. But in your desire to throw overboard the trial run on production payments, in which I am in accord, you turn a deaf ear to the remainder of the Pace bill. If you will adopt my amendment striking out the trial run, then you can at least consider the improvements provided for in the bill.

I hope this amendment will be adopted. It puts the issue squarely up to the Members on both sides of the House. Do not you at least want to take the benefit of the improvements which the Pace bill offers, or do you just want to throw the whole thing overboard and say, "We are going to go on with the present program with no improvements at all"? For several years you have vehemently condemned the inequities and mistakes in the present law. It is not perfect and you know it. Now do not you want to make these improvements; or will you

continue, as you have the past 2 or 3 days, to ardently embrace the old law word by word, line by line, and section by section? Let us be sensible about this matter.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield first to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman represents a large agricultural area in Mississippi. Has the gentleman taken into consideration the cost of fertilizer to produce a crop on that land? I am told it is as high as \$50 an acre for tobacco.

Mr. ABERNETHY. We do not happen to grow tobacco commercially in Mississippi. The gentleman used to live down there and I thought he knew that.

Mr. WHITE of Idaho. I do know that I helped spread fertilizer.

Mr. ABERNETHY. Well, I think this is beside the point.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. CASE of South Dakota. I was hoping the gentleman would say something about the new parity index formula. I can see the difficulty as of today, this new parity index might seem to be advantageous where you are translating prices for the first 10 of the last 12 years, against the declining price level and what the farmer has to pay. But what I am bothered about is what you would do if the situation were reversed. For instance, suppose we were going into 1942, and we were building the parity index upon prices which the farmer received between 1932 and 1940, and you used those prices against the recent cost price level of 1942, would the formula work then?

Mr. ABERNETHY. I do not know that I can answer the gentleman's question. In the early part of my statement I did make reference to the parity formula. I am satisfied it is a better formula than the old formula. It is a modernized formula. In a few years I am satisfied if prices continue to decline, the Pace formula may be such that it will not do justice to our farmers. I think we would have to look at it again. Any formula would certainly have to be reexamined every few years.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. STEFAN. What effect does your amendment have on the Pace bill, so far as support prices are concerned? Will the support price go up at 90 percent of parity or 100 percent of parity? Your amendment will eliminate the Aiken formula?

Mr. ABERNETHY. My amendment eliminates the trial run.

Mr. STEFAN. It has nothing to do with the Aiken amendment?

Mr. ABERNETHY. No. The Pace bill repeals the Aiken bill, and the Com-

mittee has already adopted an amendment to the Gore bill to do just that. So, in any event, when the House adjourns today, it will have voted to repeal the Aiken bill. In that situation I am very happy. It should have never been passed. I am convinced that it will drive my cotton farmers, as well as your wheat farmers, into bankruptcy.

Mr. STEFAN. If your amendment is adopted, the Aiken bill will be out, and the support price will be what?

Mr. ABERNETHY. It will be in line with the table found on page 17 of the committee report, as modified by the Pace bill. On the basics the support will be 100 percent of the income support standard, and up to that figure on other commodities. The latter are within reasonable discretions.

In closing, Mr. Chairman, I urge the Members to support this amendment. Then we can proceed to perfect the other provisions of the Pace bill, which I assure you is in many respects a vast improvement over the present law. If my amendment to strike out the trial run is rejected, then I am compelled to support the Gore bill with the hope that we will later perfect the mistakes which it tends to perpetuate. Even so, I consider it, which is the present law, a better bill than the Pace bill as long as the Pace bill embodies the production-payment plan.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it occurs to me that we now have all the issues before the House. This is actually the heart of the bill. If the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY], a member of the committee, is agreed to, the real controversy in this legislation is eliminated. The gentleman proposes to strike out the trial run on the three commodities. That is the part of the bill we think should be adopted; we think that it should be adopted so that the Secretary of Agriculture may have one more method of supporting farm commodity prices.

When the Secretary of Agriculture came before our committee, I asked him if he were asking Congress for any power or authority over American agriculture and the lives and livelihoods of farmers which he did not now have and which he would not have in the event the Aiken bill went into effect except with regard to two matters: First, the method of determining fair commodity prices; and, second, with regard to the method of supporting those prices; and he said that that was an accurate summation and a proper interpretation of the views he had expressed.

As pointed out through this debate, in the Aiken bill he can make payments. He was advised by his legal experts that he could not make payments under the present law; so, when we authorized him in this bill in clear, unambiguous but very carefully circumscribed language to make payments on three commodities

when he finds that to do so would be compatible with the letter and the spirit of the provisions of this law, then I say to you that that is an improvement over the situation which exists now, and it is a definite improvement over the situation which would exist in the event the Aiken bill becomes the law of the land.

If you vote for the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY]—and I want it clearly understood that I do not for one moment question his very great sincerity in presenting this proposition to the House; I knew that the proposition would be submitted to the House and if it was to be submitted to the House I see no reason why the gentleman from Mississippi, TOM ABERNETHY, should not have presented it—but if this amendment prevails bear in mind that you have denied the right to the Secretary to make payments to support prices. That means that he has no alternative other than to accumulate and to store away millions of dollars' worth of valuable foods. I pointed out yesterday that we now have in storage 60,000,000 pounds of rotten eggs, or eggs that will soon deteriorate.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Sixty million pounds of powdered eggs, and you would not have a pound of them or a ton of them if he were to give them to you. They are deteriorating. We are trying in our committee bill, with regard to three commodities, to make it impossible hereafter for tons and tons of valuable foodstuff to deteriorate and decay.

It is a strange thing, and I address these remarks to this side of the chamber, that we should see the spectacle which we have witnessed today. This potato program, pile upon pile of rotten potatoes, has been thrown at the Democratic Party month after month. Now the Democratic Party comes in here trying to do something about it only to hear the very distinguished former chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE], argue with the gentleman from Georgia [Mr. PACE], and the gentleman from Kansas [Mr. HOPE], former chairman, stands on the floor of this House and defends it and says, after all, the potato program was not so bad. I confess it was bad, but I am one of those who is not willing to blame Charley Brannan on account of it. I know where the trouble is and all informed people know. The trouble is Charley Brannan was helpless to relieve the situation and he will be helpless now if we strike out this trial-run provision.

What else can he do? We charge him with the responsibility of supporting prices and give him only one method to support them. We have the responsibility, Mr. Chairman, if things go bad.

The party in power will be charged with that responsibility. I say that we should accept the committee bill. Every intelligent man on the floor of this House knows that you cannot deal with perishable commodities in the same way that you deal with nonperishable, storable commodities.

We have provided three categories. In one category we have the basic commodities. In the second category we have the Steagall commodities; and all other commodities are finally placed in the third category. We deal with all of them in a different way.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Is it not a fact that no matter what bill we pass here we will still charge the Secretary of Agriculture with the duty and the responsibility of maintaining agricultural prices at some level?

Mr. COOLEY. That is right.

Mr. CHRISTOPHER. Is it not also a fact, if we do not begin the trail run on those three, we have effectively tied his hands and therefore he cannot do it?

Mr. COOLEY. The gentleman is right. The only way he can do it is to go out and buy the perishable commodities and try to save them. He cannot buy them and sell them back in the domestic market since to do so would defeat the very objective he starts out to accomplish. He would have to look around the world to find a market in which to sell these surplus commodities which he had gone into the market at great expense to purchase.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to clear up this misunderstanding or misstatement that was made by the gentleman from Tennessee yesterday about eggs. He made a charge in his speech about 60,000,000 eggs when really it was 60,000,000 pounds of eggs.

Mr. COOLEY. Yes.

Mr. HAYS of Ohio. That is far more than 60,000,000 dozen eggs.

Mr. COOLEY. It is. The gentleman from Georgia [Mr. PACE], read from the RECORD a statement made by the representative of the largest egg organization in America saying that if we did not do this the support of eggs would run to a quarter of a billion dollars.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. WHITE of California. Is it not a fact the very thing which this amendment proposes to strike—that is, the production-payment plan—is the very thing that the head of the American Farm Bureau Federation and the National Grange appearing before our committee and the Senate committee endorsed?

Mr. COOLEY. Exactly. The gentleman is correct. Let there be no misunderstanding about this. This is the heart of it. There really is no objection to the change of this formula which is

definitely in the interest of the farmers of this Nation. I hope the amendment will be defeated.

Mr. GATHINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GATHINGS to the Gore amendment: Page 3, after line 17, insert the following section (changing in line 18 "c" to "d", and changing in line 23 "d" to "e"):

"(c) Price supports shall be made available to the producers of cottonseed at levels not in excess of parity, taking into account the price levels at which other commodities are being supported."

Mr. GATHINGS. Mr. Chairman, I offer this amendment with the highest of motives. I favor the committee bill, known as the Pace bill now before you as the Pace substitute. In that bill, as you see on page 5, line 2, cottonseed is included as one of the commodities supported under that particular paragraph. Now I am only asking you to insert it in this bill which the gentleman from Tennessee [Mr. GORE] has offered as an amendment. A good price for cottonseed offers more real assistance, outside of a good price for cotton, to the cotton farmer, the sharecropper, the merchant and business generally, than any other factor in the entire Cotton Belt.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Is it not true that the gentleman from Tennessee [Mr. GORE] this morning said that he would accept the amendment?

Mr. GATHINGS. Yes; and I am grateful and most appreciative.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Tennessee.

Mr. GORE. There seems to be no objection to this amendment on either side. I have talked to numbers of people about it, and although the Secretary has authority to do so now, the people from the cotton sections feel that they can get him to act if they have a mandatory provision in the bill. I accept the amendment.

Mr. GATHINGS. I thank the gentleman. The people I serve are most interested in obtaining a fair price for cottonseed. You are most considerate in accepting this amendment. Its adoption means that the cotton farmer is assured of a stable price for his cottonseed and that means so much to him.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to my chairman, the gentleman from North Carolina.

Mr. COOLEY. I would like to call attention to the fact that cottonseed is taken care of in the committee amendment.

Mr. GATHINGS. Yes; it is, and I would like to include the amendment in both bills. The gentleman from Mississippi [Mr. ABERNETHY] who too serves on the Agriculture Committee of the House worked diligently to get this amendment adopted by the House committee. This amendment and the

amendment adopted by the Agriculture Committee is in reality the Abernethy-Gathings amendment. I trust that the amendment will be agreed to.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

I would like to say for the benefit of the Members that this identical proposal was considered and approved by the members of our committee immediately prior to reporting the bill. My colleague, the gentleman from Arkansas [Mr. GATHINGS], and I jointly sponsored an amendment which would require the Secretary of Agriculture to support cottonseed in a manner comparable to the supports for Steagall commodities. Cottonseed's most competitive commodities, such as soybeans, have for a long time enjoyed such a support. This has placed the growers of cottonseed in a very unfavorable position.

Appreciating this situation, I am very happy to report to you that when the question was put on our amendment there was not a single member of the committee who disapproved and the amendment was adopted by a unanimous vote. Therefore, the Pace bill now pending before you authorizes price supports for cottonseed comparable to those enjoyed by the so-called Steagall commodities.

The House now has before it two proposals, the Pace bill and the Gore bill. If the Pace bill is adopted cottonseed will benefit by price supports; if the pending amendment to the Gore bill should fail and the Gore bill later be adopted in preference to the Pace bill, then cottonseed would be left in the same unfavorable position in which it has been for so long. So in view of the unanimous decision of the Agriculture Committee that cottonseed is entitled to reasonable price supports, I respectfully urge the adoption of the amendment offered by my colleague, the gentleman from Arkansas [Mr. GATHINGS]. This is the only means whereby the will of the committee to support cottonseed can be carried out.

I would like to add that in previous agricultural legislation every extensively grown commodity has been accorded preferential treatment in the price-support field except cottonseed. Certainly this crop produced in abundance from one end of the country to the other, is entitled to more equitable consideration. Cottonseed has long been looked upon as the poor man's crop. It offers the source of a little cash to thousands upon thousands of small farmers. It is rather odd that throughout these many long years it has become the forgotten commodity. For no good reason, though probably unintentional, law writers have heretofore given it the silent treatment.

While this amendment would not become effective until 1950, if it be the will of the Congress that cottonseed be supported on and after that date in keeping with the pending amendment, we have reason to believe that the Secretary of Agriculture will find ways and means to support the crop for the year 1949 as he is authorized, although not compelled to

do for all crops under the discretionary powers in title I of the Hope-Aiken Act.

I earnestly urge your approval of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS] to the amendment offered by the gentleman from Tennessee [Mr. GORE].

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the Abernethy amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY] to the substitute offered by the gentleman from Georgia [Mr. PACE].

The amendment was rejected.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE to the Gore amendment:

Page 2, line 7, strike out the figure "90" and insert "100".

Page 2, line 10, strike out the figure "60" and insert "75".

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, this amendment to the Gore amendment simply increases the parity payments from 90 percent to 100 percent, and for the non-co-ops from 60 percent to 75 percent for that part for which they are penalized if they overproduce.

We started this parity program originally with 65 percent, then went to 75 percent, later 85 percent, and finally, because of the good work done by my friend the gentleman from Georgia [Mr. PACE] it was raised to 90 percent. There is no reason under the sun why the farmer should not get 100 percent parity. That is real parity. I say in the words of Senator GILLETTE that 100 percent parity is but 100 percent justice to agriculture.

I am for the Gore amendment, but I feel that that amendment should give 100 percent parity to agriculture. They have been receiving the short end of the stick all through these years. I can see no real objection from anybody to 100 percent parity for those who cooperate with the program and 75 percent for those who do not cooperate, for that part for which they have to pay a penalty if they overproduce.

The farmers cost of labor, farm machinery, building and repairs have gone up to date, not down.

That is about all I can say as to the reason for that amendment. However, I wish to talk on the general program before us.

Mr. Chairman, during the 14 years that I have been a Member of Congress, the farmer has been made the political football—the shock absorber. During those 14 years, about all that he got was

lip service, and occasionally subsistence help.

No permanent farm legislation has been passed. We gave him so-called parity which consists largely of parrot talk. We started in with 65 percent, then 75 percent, then 85 percent and finally 90 percent parity-support prices. There never was any reason why we should not have given agriculture a fair break—100 percent real parity—better still, cost of production. This as a floor, not as a ceiling.

If that kind of a bill had been passed, then the farmer would be getting about \$2.70 for a bushel of wheat today. That would allow him and his family the average wage that those working in industry get for the time they labor—about 57 cents an hour. Surely no honest person can object to the farmer getting paid for his labor the same as his brothers and sisters working in industry are paid.

In place of giving the farmer cost of production for that part of his products domestically consumed, we have now wrangled and fooled with the brain-trust ideas of the Department of Agriculture from Wallace on down to Brannan. Now we have before us the Brannan baby. No one knows who is its mother or its father. From the debate on this floor, it seems to be the illegitimate offspring of many brain trusters and brain busters.

From what we have heard here on this floor, this illegitimate monstrosity was unanimously rejected by the Committee on Agriculture—even by my able and good friend the gentleman from Georgia [Mr. PACE]. Of course, there was no politics in it, but may I presume that the Democratic leaders on that committee were called to the White House or maybe just to the Department of Agriculture where the "brain trusters" and brain busters ganged up on them.

Many of my Farmers Union friends say they want 100-percent parity. Many of their locals wrote me in beginning that they did not want the Brannan program. When I make that statement, I also wish to state that more recently I have received a lot of canned propaganda for it. As far as I know all farm organizations, except one, are opposed to it.

I am and always have been for 100-percent parity—better still, I repeat, I am for cost of production, which is about 15 percent better than 100-percent so-called parity. It is about 25 percent better than Brannan's manipulated parity in his new program. This manipulated parity is 7 cents less per bushel on wheat than 90 percent parity under the present law, and his 100-percent manipulated parity is 29 percent less than 100-percent parity under the present law.

However, I am not for Brannan's illegitimate child, which would compel the farmer to sell his products on the world market in competition with peon, coolie, and slave labor. I have yet to find a farmer, who understands it, who is for that part of the Brannan program. If carried to its logical conclusion that program would require an appropriation

each year for agriculture of \$8,000,000,000.

That is so staggering that even Mr. Brannan tries to slip in the back door by saying he wanted to experiment first with hogs, potatoes and wool, and then when the stock raisers objected to the hogs program, he substituted eggs.

I am sure that in his simplicity, the Secretary does not know that if that program were adopted, he would plaster the whole Nation with eggs. He would get mixed up worse with eggs than he was when they had 100,000,000 dozens of eggs on hand and did not know how to hatch them or how to get rid of them, and finally fed them to hogs.

I note that the Secretary says he will pay the farmer the difference between the world market and 100-percent parity. This is lip service. First, he asked to be allowed to experiment with hogs, potatoes, and wool.

Let us take hogs for example. Suppose he had been allowed to experiment with hogs. Then the farmer would have been compelled to market those on the world market, which shortly would be 6 cents or 7 cents a pound. How would that have affected beef, lamb, mutton and poultry? Would it not bring the price of these products down to the world market?

The farmer is not going to be fooled. In order to pay that difference Brannan will have to get the money by appropriations. It will have to be raised by taxation. The farmers as a group pay a large part of the taxes.

Neither can Brannan fool the consumer at the expense of the farmer. He too is a taxpayer. Both the farmer and the consumer know that for every dollar they receive in subsidies or lower cost of living at the expense of taxation, they will have to pay \$2. The extra dollar will be for the collectors and distributors of the tax and for interest and overhead expenses.

The farmer knows that because of our large indebtedness, appropriations will be hard to get even though they come out of his and the consumers' tax dollar. He knows that the farm population has decreased from 30,000,000 in 1930 to 24,000,000 in 1948, while the general population has increased 20,000,000. He knows that as a result his strength in Congress has been reduced from one-third to one-seventh. He knows that he is already being blamed for the high cost of living. He knows that he must get permanent legislation—one hundred percent real parity or better still, one hundred percent cost of production.

From the days of Wallace to the days of Brannan, the Secretaries of Agriculture seem to have been wallowing in mud. They have been lost in the dismal swamps. If they ever hit upon the right thing, it will not be by the law of averages, but by the law of accident, and I even doubt that they will ever hit it right by accident.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment do now close.

The CHAIRMAN. The gentleman refers to the amendment offered by the gentleman from North Dakota?

Mr. COOLEY. Yes.

Mr. GORE. Mr. Chairman, reserving the right to object, I would like 2 minutes.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, the Lemke amendment, close in 2 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. GORE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the purpose of the bill which I have offered and to which this amendment is offered, is to continue a time-tested program for another year. At no time, not even during the war peaks, have we guaranteed 100 percent of parity. I hope that no one will vote irresponsibly on amendments such as this, because if I do not misjudge the temper of this committee, this is an amendment offered to what will be the bill that finally passes the House.

One hundred percent of parity and 75 percent to noncooperators would, in my opinion, seriously endanger the whole price-support program for agricultural commodities. I know the distinguished gentleman from North Dakota who offers the amendment offers it in good faith. I know he is a friend of the farmers and that he thinks he is doing what is best for the farmers. But I respectfully disagree that this would be for the best thing. I think the best thing we could do is to continue 90- and 60-percent parity support, which has been time tested and which has worked not too badly so far.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from North Dakota [Mr. LEMKE].

The amendment was rejected.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 3:30.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, I have been here all afternoon trying to get five minutes' time. I think the gentleman should not shut us off like that.

Mr. COOLEY. Mr. Chairman, I move that all debate on the bill close at 3:45, the last 10 minutes to be reserved for the committee.

Mr. CASE of South Dakota. Mr. Chairman, a point of order. The motion may not include the fixing of time for the committee.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the last 10 minutes be reserved to the committee.

Mr. WHITTEN. Mr. Chairman, reserving the right to object, we have handled this bill in our committee now for some 6 or 7 years. I have tried to get time in general debate but have not been successful. I think we who are familiar with it should have a chance to express ourselves. I would like to have some time.

Mr. COOLEY. I certainly have no desire to cut the time short.

Mr. Chairman, do I understand that all Members standing desire to speak?

The CHAIRMAN. The Chair is not in position to advise the gentleman as to that.

Mr. COOLEY. Even so, Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 4:15, the last 10 minutes to be reserved for the committee.

Mr. CASE of South Dakota. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The point of order is sustained.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 4:15, the last 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, then I move that all debate on the bill and all amendments thereto close at a quarter to four, with the last 10 minutes reserved to the committee.

Mr. CASE of South Dakota. Mr. Chairman, I renew my point of order.

Mr. COOLEY. Mr. Chairman, what is the point of order?

Mr. CASE of South Dakota. That the Committee may not allot time by motion.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending bill and all amendments thereto close at 3:45.

The CHAIRMAN. On the pending amendment and all amendments thereto?

Mr. COOLEY. On the bill and all amendments thereto.

The CHAIRMAN. The gentleman from North Carolina moves that all debate on the pending bill and all amendments thereto close at 3:45.

The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The Chair will call the names of the Members on their feet indicating a desire to be heard: Messrs. SASSER, BENNETT of Florida, WHITTEN, MARSHALL, ANDRESEN, VURSELL, MILLER of Nebraska, MORRIS, WICKERSHAM, FISHER, ABBITT, SUTTON, WORLEY, HILL, GROSS, STEFAN, GORE, HORAN, WHITE of Idaho, CASE of South Dakota, HOPE, MURRAY, PACE, GATHINGS, HAYS of Arkansas, BONNER, GRANGER, KEATING, HOEVEN, COOLEY, SHAFER, ARENDS, ABERNETHY, BECKWORTH, JENSEN, O'SULLIVAN, MICHENER, CARROLL, ALBERT, COMES, and FULTON.

Mr. ABBITT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABBITT to the Gore amendment:

Page 2, line 1, strike out the words and figures "marketed before June 30, 1951."

Page 2, line 23, strike out the words and figures "until January 1, 1951."

Page 3, line 20, after the word "date" strike out the remainder of the sentence and insert in lieu thereof "until June 30, 1950."

Page 4, line 1, strike out the words "until January 1, 1950."

Mr. GORE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. ABBITT. Mr. Chairman, this amendment is merely a matter of practical procedure. So far as the Gore bill as amended is concerned, it extends the present law for 12 months and it repeals titles II and III, the so-called Aiken bill.

The purpose of my amendment is to do away with the 12-month limitation and extend the present law permanently.

We all realize the only reason we have the Aiken law on the books today is because our entire agricultural program would have been out on December 31, 1948, unless we had an extension. The Gore bill is intended to extend the present law and repeal the Aiken amendment. It extends the law for 1 year only and repeals the Aiken law. That means we will have no law at the end of next year. We will have a hammer over our heads next summer just as we had last year, making it necessary for the Congress to act again in 1950 and agree on some compromise program whether or not we like it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. ABBITT].

The amendment was rejected.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER to the Gore amendment. On page 2, line 2, after the date "June 30, 1951", insert a parenthetical clause reading as follows: "(September 30, 1951, in the case of Maryland and the cigar-leaf types of tobacco)."

Mr. SASSCER. Mr. Chairman, very briefly, my amendment does not change the base period, the formula of figuring parity or in any way the mechanics of the support. The amendment in no way changes the substantive law. Through an oversight the proponents in the preparation of the Gore substitute omitted the existing law defining the support period as to Maryland and certain cigar types of tobacco, including in those cigar types of tobacco produced in Puerto Rico, Wisconsin, or Minnesota tobacco as enacted at this session. Those crops are marketed through August. During the present session a law was passed which extended a termination date of June 30 for the support season until September 30, so that the support would not be withdrawn right in the middle of the reason for these crops that are raised 1 year and marketed the next and not sold before June 1. This is the amendment which the author of the Gore amendment stated this morning that he would accept. I earnestly urge the House to accept it, as it merely carries on existing law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER].

The question was taken; and on a division (demanded by Mr. SASSCER) there were—ayes 58, noes 37.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I only rise for the purpose of asking questions which I have had some difficulty in getting answers to, due to nobody's fault. There are two questions I would like to ask: One of them is: Why is it necessary to have this new plan in the bill? Why could not quotas, agreed to by the farmers, have been put on for potatoes and things of that kind? The second question I would like to have some members of the committee answer,

if he will, is: What will be the result of this so-called Brannan portion of the bill insofar as the consumers, the producers, and the middlemen might get together to see to it that the Government carries the burden?

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Georgia.

Mr. PACE. I would like to state that I think acreage allotments can be made on potatoes, but there are many, many perishables that grow in the State of Florida where it is not practical to put an acreage allotment into effect. The second answer is that under the committee bill, the payment, if any, made, will be the average difference; that is to say, the difference between the support level and the average market price. That would require the producer to get the best price he could in order to get the support price.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISHER to the amendment offered by the gentleman from Tennessee, Mr. GORE: Page 3, line 22, strike out the period and add the following, and by adding a new section reading as follows: "Sec. 4. Mohair shall be supported at not in excess of 90 percent of the parity prices taking into account the price level at which wool is being supported."

Mr. FISHER. Mr. Chairman, I hope no one will object to this amendment. The committee wrote a provision similar to this in the measure that is now before us. I have shown this amendment to the chairman of the Committee on Agriculture and also to the gentleman from Kansas [Mr. HOPE], also to the gentleman from Tennessee [Mr. GORE], and none of them objects to it. This was adopted in the Committee on Agriculture, or a provision comparable to it. This amendment simply undertakes to clarify the Wool Act of 1947, which by interpretation, on account of its peculiar wording, has not been held to include mohair. This will require the Secretary of Agriculture to treat mohair on a basis comparable to the treatment accorded wool.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I say to the gentleman that mohair is included in the committee bill. It is included in the committee substitute offered by the gentleman from Georgia [Mr. PACE], and I know of no reason why it should not be included in the other amendment.

Mr. FISHER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio to the Gore substitute: On page 2, line 23,

after "until," strike out "January 1, 1951" and insert "June 30, 1951."

[Mr. HAYS of Ohio addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. ABERNETHY] desire recognition to offer an amendment?

Mr. ABERNETHY. No, Mr. Chairman; but I ask unanimous consent to yield my time to the distinguished chairman of the Subcommittee on Agricultural Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

(Mr. COOLEY, Mr. HOPE, Mr. MURRAY of Wisconsin, Mr. GATHINGS, Mr. HORAN, Mr. GROSS, Mr. HOEVEN, and Mr. ALBERT also asked and were given permission to yield their time to Mr. WHITTEN.)

Mr. WHITTEN. Mr. Chairman, I greatly appreciate the courtesy extended to me by the Members who have yielded me this time. I hope I may be able to make a contribution which will be worth a little something in the consideration of this bill. I assure the Members of the House that it shall be my purpose to discuss the workings of this production payment plan. I hope fairly and factually.

Mr. Chairman, it has been my privilege to serve on the subcommittee handling agricultural appropriations for 6 or 7 years now. During the last year it has been my privilege to serve as chairman of that committee. That is the committee before which each year come the present support programs from A to Z. It has been our privilege to check with the Department and to hear witnesses on all the programs each year, and to recommend to Congress the amount of money to be provided for the operation of the programs.

I mention that to show you we had some experience in dealing with this problem. Charlie Brannan is a splendid gentleman. He is a good American. All this talk about socialism and all these other things really has no place here. His recommendations are no different from many things that have been recommended and from many things that we have had heretofore. But, my discussion is not directed to that. He never discussed his recommendations with our committee. If he had, I believe we could have shown him he was going at the matter backward and proved it by the testimony of the Department before our committee as well as by the record.

According to the testimony and the records before our committees through the years, his recommended program is directly contrary to our whole concept of price supports for agricultural products. This is the reason I say that. Under our farm-support program we are seeking to stabilize farm prices, to have a floor under them. It is true we have lost on a number of these perishable support programs, notably potatoes. Why? Because there has been no controls, no

marketing quotas. The Secretary of Agriculture repeatedly has asked Democratic Congresses to give him controls. He has asked Republican Congresses to give him controls. No controls have been given to him, and that is why we have all these potato losses. That is the reason you have had all these losses. Of course it is ridiculous to continue such lack of quotas. But if you had controls, we would not have had such tremendous losses, which is proven by the experience of the Department with commodities where they have controls. If you control the supply and announce a support program, you stabilize prices at that level. The farmer will not sell unless he gets that price. The buyer cannot get the commodity unless he pays the price. If you have control, and the Department has the money to buy all the supply we have proved by years of experience that Federal Government does not have to pay out a dollar. You can check the record of our hearings. You can read the testimony of Mr. Dodd who ran this program for years. He shows you that time after time after time the Government has not paid out any money when they had controls and when they announced the program and had the money to buy the commodity. The price is stabilized and it frequently does not cost the Government any money and little when there are costs.

In 1948 Mr. Dodd testified he did that in 17 cases and the Department had to buy very little. Here is the other fallacy in Secretary Brannan's approach. It is our purpose to stabilize prices. However, Mr. Brannan says let farm prices seek their own level. All a buyer has to do is hold back from buying, and he runs the price down. The price goes lower and lower and lower on agricultural products. The farmer does not lose financially. However low the general selling price, he gets the difference in a blue check from the Government. But Secretary Brannan says he wants the consumer to benefit. So do I. But the plan the Secretary offers will not do that. The buyers hold back and run the price of eggs to the farmer down to say 10 cents. There is nothing in the bill to keep the produce merchant from selling those eggs for 30 cents or 60 cents to the consumer. You know that they will sell all of these commodities for what the traffic will bear. Thus the man who gets the benefits under this bill is your middle man. The Government fixes it so that the farmer gets his from the Government, if we can get the appropriation. The consumer does not get the benefit because he pays the price demanded by the seller. The seller can sell at whatever he can get the buyer to pay. We do not have an OPA now to control the price charged the consumer.

Thus, under this bill the consumer does not get the benefits it has been represented it will bring him and what Charlie Brannan hopes he will get. You say it does not work that way. We had experience during the war with subsidy on meat when we had the OPA. We said that meat could not be retailed above a certain price. Every little butcher in every small town in the country was

held down on what he could charge for meat. The Congress provided a subsidy to help the producer to produce. That subsidy was paid to the butcher or to the meat packer. Do you think that went out to the producer of agricultural products? No, it did not. In most of the area with which I am familiar, the butcher reduced the prices he paid to the farmer. The butcher kept the same margin of profit and the same profit. In addition he got a check from his Government which was over and above and in addition to the profits that he had always made. That made everybody in the town mad. I say to you, as good as his intentions are, and as able as he is, the Secretary is misguided when he thinks that under this bill the benefits of his reducing farm prices to the producer will flow to the consumer. The benefits would go to the middle man.

Let me tell you, the commodities which we purchase in order to support the price today, goes to the school-lunch program without charge. Do you know any better place to use our surpluses? But under the Secretary's trial-run proposals we would not have the surplus for distribution to the school-lunch program.

Surely, if we continue the present law, we can count on this fine committee to provide for controls or marketing quotas on potatoes and other perishables. From the debate they so well recognize the ridiculousness of burning potatoes and other foods that I know they will bring in provisions for such controls.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

I just want to ask the gentleman if he has read the language at the bottom of page 7 and the top of page 8, which sets forth certain compliance provisions?

Mr. WHITTEN. I do not have the bill before me so as to answer by book and page. From the debate attention has been called to the fact that section 32 funds will not accumulate but the unused funds will go back to the Treasury each year if the present law were extended. I have fought for years to save section 32 funds and finally made it this year. I believe these funds should accumulate. I am sure our Committee on Agriculture, believing that, too, would not refuse to act just because they lost the Brannan plan.

No. What Mr. Brannan asks the farmer is to take whatever low price the buyers, middlemen want to pay him and get the rest from the Federal Treasury. To ask the farmers to submit to such a program is the same as asking labor to let employers pay whatever low wages the employers want to pay, the difference to be made up by Federal payments. Such a plan would not be fair to labor. It is not fair to the farmer, not to mention the fact there is not enough money in the country to finance such a plan.

Mr. PACE. Will the gentleman yield?

Mr. WHITTEN. I yield briefly.

Mr. PACE. Does the gentleman know any way on earth we could tell which program would be satisfactory except by trying it out?

Mr. WHITTEN. I say that in our dealings with this bill throughout the years, with the testimony always on the

part of the Department to the effect I have just recited, and with no one on his committee believing the plan will work, I think I can say that we can be sure it will not work. Certainly the experience of the Department as shown by their testimony before our committee shows it will not work. We have one of the finest Committees on Agriculture in the House of Representatives we have ever had in the history of this country. We have able men on that committee, the chairman, the gentleman from Georgia, and many others. We have men who have served on that committee for years and who have studied this problem for 4 years trying to improve on the law that we now have, and they never were able to figure out one that was better, not even the Aiken bill, because the Republicans on the House side never did want the Aiken bill.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HORAN. We also tried to pass a law to study this movement of goods from the farmer to the consumer, the Research Marketing Act. The gentleman from Georgia [Mr. PACE] was going into some of these problems before his committee. We also have had an 80-percent freight-rate raise since the end of the war, which has raised the margin between the farmer and the consumer, and which our committee has tried to correct by providing extra funds to oppose freight-rate increases on agricultural commodities.

Mr. WHITTEN. That is correct. Now, all that our good friends on the Committee on Agriculture have offered—and they are all splendid fellows—the only argument which they have offered is, "Let us give it a trial run." We have not heard one of them say they believed it would work. I have not found a man on the committee, which has studied this matter for years, who believes it will work. They could not figure anything better than the present law. The new Secretary brought in his new program. He wanted to try it out on all commodities. The committee did a good job to hold him down to a trial run on three, but I have not heard any argument that they thought it would work. The Secretary was active in politics last year. He found the people wanted no part of the Aiken bill. He mistakenly, I think, took it they wanted a new bill. I think they wanted the old law, with controls for potatoes.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. PACE. The gentleman does not mean that there was any trade on this matter? Nobody made any agreement with Mr. Brannan or anybody else.

Mr. WHITTEN. I am sure that is true. The committee being afraid of this program under its bill holds him to a trial run on three commodities.

It was a good day's work to hold his program to three commodities, but I believe his program would not work on those. His program would run down farm prices instead of stabilizing them. We should not criticize the Secretary.

Our Agriculture Committee could not write a better law than we have.

The Republicans in the Senate set out to write a better farm program. They came up with the Aiken bill. The Republicans in the House wanted to extend the present law. The Senate insisted on passing a bill over the wishes of the folks on our side who had studied for 2 years trying to improve it and who wanted to extend the present law. The Senate had its way at 6:30 one Sunday morning and thereby lost an election.

The Aiken law has never been in operation. No one wants it today. The farmers—most of them—did not know what was in the Aiken bill last fall, by and large. Perhaps some of the leaders did, but the Republicans lost much of this country not because of the Aiken bill, but because the Congress had repealed the present program in which the farmers believed.

Now, the folks on our side are falling into the same trap. We are writing a new bill to improve on that which they have come to accept and to know and to understand. We should amend it—but why destroy 16 years' experience. Those of you who represent farm areas know it is hard to get farmers to take regulation and regimentation. In 16 years they have gradually come to accept the present program. Do you want to start off with another program? Do you want to require them to go all through this again? It is true the situation is going to be rather tough in the years ahead. Do you want to take the blame for following a course which the Republicans fell for, of interfering with a law that the farmers have come to know and to understand and to believe in? Let the fine Committee on Agriculture amend the present law, provide controls or marketing quotas for potatoes and the troublesome commodities, and do those things which should have been done years ago. You will not have to write the Brannan plan into law to do that.

It will not help Secretary Brannan to pass his plan if it will not work, but runs farm prices down. Sometimes you help your friends by holding them back from making a mistake.

It will not help the Democratic Party to pass a bill on the basis it will help the consumer when it will not.

The Democratic law I would continue has worked for 16 years. It has been good enough to elect thousands of Democrats. The Republicans were defeated when their leaders repealed it even though they postponed the effective date. Do not you make the same mistake.

(Mr. HORAN asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. HORAN. Mr. Chairman, the consideration before the committee today is obviously in two parts: one, that part dealing with the over-all security and income of our farm producers and, two, an inferred promise of cheaper farm products to the consumer in America.

Like the gentleman from Mississippi [Mr. WHITTEN], who has just addressed the House, I serve on agriculture appropriations. I would like at this time to express in terms of the program which

we considered in the over-all administration in the Department of Agriculture the difficulty, short of the restoration of OPA or other farm controls of individuals from the farmers to the consumer's table, of promising cheap foods. We cannot, with any certainty, promise any great reduction in the price.

And, so we arrive at consideration of what method shall we use, first, to make sure of the security of our American farmer, and second, the difficulties which now obtain in trying to move agricultural commodities with more speed, better quality, and lesser price to the consumer's table.

That this question has never been properly answered was recognized by this House 3 years ago when it passed a long-range program entitled "The Research and Marketing Act" under which we are spending millions of dollars every year (the total now being in excess of thirty millions which has been spent on this program) trying to find out what the "bugs" are in our marketing problem of farm products in America.

Another factor that makes an inferred cheaper price of farm commodities lies in the fact that since the war we have had no less than six general freight rate charge raises and freight rates have increased in the neighborhood of 80 percent since the war. This, of course, is a hidden cost in the high cost of living.

In addition to this, there are many other factors that should be considered as we so glibly debate such a fundamental matter as that now before us. We must recognize, I think, that the whole program of marketing services, including the Market News Service, is a factor designed to assist in ironing out the difficulties of the marketing of farm products.

In the first place, by keeping the producer advised as to general market conditions from day to day and for myself, and the record here is clear, I have tried to promote the general idea of a market basket market news service which would appraise in some way the housewife as to what she should expect to pay for certain agricultural commodities. This suggestion has been experimentally tried out by the Department on at least two occasions at my insistence and small sums have been included in the budget under "research and marketing" for this purpose. I might say, however, that my suggestion has never been received in the Department of Agriculture with any great enthusiasm.

Since it is presumed that the full force of competition would be allowed to play upon the farmer's productions after the Government has paid him his income-support standard payment or his support prices as the case might be, I feel that it is essential that we consider the work in another bureau down in the Department of Agriculture. I refer to the Office of Foreign Agricultural Relations which is a sort of "intelligence" service carried on by the Department to advise us of what is happening in foreign countries in the general field of agriculture. Certainly if we have to continue and even increase the importation of foreign agriculture competitive commodities, we should know these things.

And so I conclude that the legislation today or the promises that have been included in the Brannan plan proposal do not remove the basic difficulties and despite the action that we may take here this afternoon, those basic difficulties will remain and only by research and continued efforts in the direction which we are now, I believe, constructively moving will we achieve the reductions in the cost of living at the consumer level which does certainly mean security to the American farmer. For if the people do not eat what our farmer produces, there is no security in it for him.

Therefore at all times, the prices of farm commodities should be kept within the reasonable means of the people to pay.

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized.

Mr. HILL. Mr. Chairman, I yield my time to the gentleman from Minnesota, and I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. HILL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. KEATING. Mr. Chairman, I ask unanimous consent that the time granted to me may be yielded to the gentleman from Minnesota and that I may revise and extend my remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEATING. Mr. Chairman, the Brannan believe-it-or-not plan is a snare and a delusion. Its prospective cost the Secretary of Agriculture has refused even to estimate. His last refusal occurred on Monday of this week, when I pressed him for an answer in the hearings now under way by the Subcommittee on the Study of Monopoly Power of the Committee on the Judiciary. Probably with good reasons, he prefers to veil the cost and effectiveness of the program in obscurity.

If he can shed no light on the important factor of cost, are we to legislate in the dark and authorize him to involve the pay envelopes of our taxpayers for uncomputed billions? If we guarantee the incomes of farmers, are we to do the same for the factory worker, the dentist, and the fellow that runs the corner grocery store?

From the point of view of the consumer, certainly a sidewalk Congressman, looking out for his constituents' interests, cannot support this bill when the report of this committee shows that it is proposed by the measure to up the price of hogs \$3 a hundred; beef, \$4.90 a hundred; lambs, \$5.40 a hundred; milk, nearly a cent-and-a-half a quart wholesale; butter, 9 cents a pound; chickens, 4 cents a pound; turkeys, 5 cents a pound; cotton, 5 cents a pound; wool, 9 cents a pound, and so on.

No more can a dirt-farm Congressman support a bill which can nationalize every farm in the land, by giving to Washington the absolute power to control the

kind of crops and produce, and the amount of them, that can be raised, to dictate how large a farm may be, and to decide whether the land shall be used for farming, for grazing, or to remain idle. That is a controlled economy beyond anything yet contemplated in America. The control of the farm means the control of the farmer.

Those great farm organizations, the National Grange and American Farm Bureau, recognizing the inherent unsoundness of the Pace bill and the surrender of every freedom of the farmer which its passage entails, want no part of such a booby trap. They are right.

Now that this undigested measure has been brought before us, it should be roundly defeated and the present law continued until such a time as we can know clearly where we are heading, and be presented with a long-range legislative proposal which has been thoroughly canvassed and is deserving of support.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent that the time allotted to me may be yielded to the gentleman from Minnesota.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The gentleman from Illinois [Mr. VURSELL] is recognized.

Mr. VURSELL. Mr. Chairman, the present bill offered by the administration which we are considering would be a trial run of the Brannan bill. Secretary Brannan, who proposed this cockeyed plan, which is really a political effort to join the farmers and laboring men in one group at the expense of all of the taxpayers, has been properly understood by the thinking people for just what it is, and they are almost unanimously against it.

Secretary Brannan, in the face of this opposition abandoned putting practically all agricultural production in his proposed bill and now says to the Congress, "If you will try it out on only three or four small items of agriculture and just let my camel get his nose under the tent, we will be satisfied for the present."

Mr. Chairman, I have confidence that there are enough Members in this House who know this legislation is so destructive to the farmers of the Nation, and is such a deception attempted to be perpetrated on the consumers of the Nation, that a big majority of the representatives of the people in this House will stand with the American Farm Bureau Federation and the National Grange and defeat this ignominious political measure, with such a majority that it will never again be proposed to the House of Representatives.

Mr. Chairman, the Brannan plan is the most alluring political bait that any group of high-paid bureaucrats has yet brought to the American people in an attempt to buy, at the expense of the United States Treasury and the taxpayers, the combined vote of the farmers

and the labor organizations. Think of it, they promise to give the farmers higher prices for production and to give the consumers more food for less cost. The most daring magician would not attempt to pull such a trick on an audience and expect the people to believe it could possibly happen.

This bill will regiment the farmers so tight, and restrict production to the point where food will cost the consumer more than he is paying now, or it will bankrupt the Federal Treasury to make up the difference, if strict regimentation and production controls are not placed on the farmers.

The Brannan plan, if put in operation, may cost the Government over \$7,000,000,000 a year. It would regiment the farmer, set the prices here in Washington by the Secretary of Agriculture on every pound of meat, every dozen eggs, and every bushel of grain produced. The Secretary of Agriculture would have the dictatorial power to do just that. In setting these prices the Congress would then be called upon to pay the farmer the difference between the price he got for a dozen of eggs, and the price the Secretary of Agriculture thought he should have. This would go for everything else the farmer produced.

The farmer would then have to depend on the appropriation committees of the House and Senate to appropriate the billions of dollars to make up the difference. The people would be taxed, consumers, farmers, and producers, to get this money into the Treasury so that after thousands of bureaucrats had been paid out of these taxes to administer this bill, the balance would go back to the farmer.

If we run out of money in Washington or if the Appropriations Committee and the Congress would not appropriate the money, the farmer would not be paid the subsidy the Secretary of Agriculture figures out as due him under the Brannan plan.

I do not think the American farmer wants to be regimented and that he wants to depend on the United States Treasury for a major part of his income through subsidies, when we already have a debt of \$252,000,000,000 hanging over the United States Treasury at the present time. He only wants a fair price in the market.

The farmers understand the present 90-percent parity. They pretty well understand the Hope-Aiken bill that would run on a sliding scale from 90-percent parity down to 60-percent parity. They probably do not know that parity cannot drop more than 5 percent a year under the Hope-Aiken bill.

Mr. Chairman, now what we propose to do in the Gore bill is to extend the old tried and tested extension of parity for another 12 months which will prevent the Hope-Aiken bill from becoming operative for over 1 year so that in the session of Congress beginning next January we will have a better picture of the agricultural situation, will have the time and opportunity to study the parity formula further, and enact farm legislation that will be satisfactory to the farmers, to all the people, to the Con-

gress and in the best interest of the entire economy of the Nation.

Let us defeat this trial run of the Brannan plan proposed in the Pace bill, and support the Gore substitute which is preferred by the American Farm Bureau Federation, the National Grange, the Illinois Agricultural Association, and 90 percent of the farmers of America.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Nebraska. I yield.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record and yield my time to the gentleman from Nebraska.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, I rise to the defense of my home town. My home town is Norfolk. It is not the Norfolk of the distinguished gentleman from Virginia; it is my Norfolk; Norfolk, in Nebraska.

It is, indeed, true that the outlying possessions and Territories of this Republic are—and by right out to be—dear to all of us. Wherever American armed forces are stationed, even temporarily, becomes part of our new frontier. During the late war it was correctly considered that the Rhine and Bataan were the first lines of this Nation's defense. Wherever an American fighting man fell, wherever he was buried—in Italy, in Africa, in France, at Iwo Jima or Okinawa—that 6 feet of soil is forever consecrated to the United States of America.

Yes. These truths cannot be disputed. I do not dispute them. My purpose, Mr. Chairman, is to give proper space to another great truth—one, which is second to none of these here mentioned—so that this continuing contributor to the welfare of our people shall not wither and be forgotten.

Since Bataan and the Rhine were only a few short years ago our "first lines of defense," it was then and it ever shall be that your community—and my home town, Norfolk, Nebr.—must be considered to be the very citadel of American life.

My Norfolk is a citadel in the original meaning of that word. Webster defines a citadel as a stronghold. In the Middle Ages the citadel was a tower of strength for townsfolk and farmers alike. When we of today refer to "fighting to the last ditch" we recognize the power of the citadel, for about it was the "last ditch" which defended the community from conquest.

A century ago there was only a barren prairie where Norfolk is today. Within the memory of men and women who still live within its limits Norfolk evolved into what it now is. They cannot forget—nor can I—that, from the very first, it was a citadel. English and Scotch-Irish stock came to Norfolk from Virginia and from New England. Germans, in search of liberty, settled there. Sturdy Swedes

made Norfolk their home. People of many nations, many religions, many backgrounds found Norfolk good—and stayed there.

Why did they stay? Their earliest reason was for sheer self-protection. The prairies of the pioneer had hardships which demanded human companionship. One family—alone—could not expect to cope with prairie fire, with the plague of grasshoppers, with blinding blizzards, any more than they could hope to stand off a raid of Sioux on the warpath. These Norfolk pioneers stopped over at Norfolk because they had to have any human aid the region afforded. They stayed on because they valued the particular kind of warm, human friendship which Norfolk so freely gave.

Norfolk pioneers could have gone on to other settlements. They deliberately chose to stay. They stayed, because their crops were good, because their businesses were prospering, because they could send their children to schools, because their especial church gave them the word of God in a way they respected and revered. All of these reasons were in back of their staying on in Norfolk. There were other reasons, too—reasons of which they seldom spoke—but which, nonetheless, held them in Norfolk or Norfolk. Here was where a first baby was born. Here was where a beloved father and mother were laid to rest in the cemetery. Here was where a German boy from Wisconsin had met a Swedish immigrant girl, where they had married, where their common toil and sacrifice had brought forth a rich, producing farm from what had once been trackless prairie. Here were ties which could not easily be broken. Friends lived in and around Norfolk. Norfolk held neighbors.

Norfolk grew with the dreams, the hopes, the aspirations of the people who tied their lives to their community. It was no longer an actual citadel or the American adaptation of the citadel, the stockade. The wild battle cries of Sioux on the warpath had been forever stilled. Today's Norfolk farmer has no need to whip his yoke of oxen over rutted trails to a distant market. Hard-surfaced roads fan out from Norfolk in all directions, the product of the thrift, the skill, the progressive thinking of farm and town dweller alike of the Norfolk community. The electricity, the modern inventions of this age, have erased the necessity but never the enduring picture of the Norfolk women of only a few years ago who clung to clotheslines, guiding them to the woodshed and back, through blinding blizzards, with their precious loads of wood so that their families might live.

Today's Norfolk, outwardly, seems to be a far cry from the rude settlement of its pioneers. Wide paved streets instead of narrow wagon tracks. Churches and schools of brick and stone in place of the old frame structures. Cars, not Conestoga wagons. Tractors pull the plows once pulled by oxen. Up-to-date business establishments rather than makeshift shacks house our merchants.

The outward change in Norfolk, wrought by years of American thinking and doing, has been great.

Thank God, this has only been an outward change.

The spirit of pioneer Norfolk moves, breathes, acts today as powerfully, as understandingly, as it did more than fourscore years ago.

The children of the wealthiest citizens of Norfolk attend the same school with the children of Norfolk's poorest citizen. They learn from the same books, the same teachers.

Norfolk citizens go to their different churches on Sunday. But—and this is one of the chief reasons I am so proud of my home town, Mr. Chairman—they drive to their different churches in the same cars, or they walk down Norfolk's streets together.

The meetings which the Grand Army of the Republic once held are now gallant memories. The thinning ranks of Norfolk's veterans of the Spanish-American War could now assemble in a single room of any any Norfolk home. Yet the efforts of the veterans—the patriots of peace—have not been slowed down by years. The American fighting men of World War I and World War II swell the rosters of Norfolk's American Legion and Norfolk's Veterans of Foreign Wars. Even as their fathers and grandfathers before them—veterans all—these men build for their community in peace, as they fought for their country in war.

Norfolk's merchants, businessmen, professional men, and farmers gather around tables for noon meals as service club members in exhibitions of friendliness, neighborliness, and cooperation just like their earlier prototypes did in the old general store around the cracker barrel and pot-bellied stove.

Norfolk women borrow butter and eggs—and pay them back—even as their parents and grandparents did. Nor does the amount of income taxes paid by their fathers enter into Norfolk boys' sharing in the benefits of the Boy Scout program or in swimming in Spring Branch.

Mr. Chairman, I am proud to be able to say that the ability to work together, worship together and live together—which the pioneers brought forth in Norfolk—has been preserved and expanded by the people of Norfolk, 1949.

If there should be any doubt of that ability, that sincere determination, of the citizens of Norfolk community to "get along together," that doubt would be dispelled on seeing the farm-town festival which is held yearly in my home town. The townspeople of Norfolk invite the farmers around Norfolk to dinner. This means a thousand-plate meal. Norfolk churches of all creeds and denominations open wide their doors to their guests from Norfolk's farms. The quilting bee, the cabin raising, the corn-shucking party—the singleness and sincerity of feeling which characterized the ancestors of these people—finds fulfillment in meeting together in this farm-town fellowship.

Mr. Chairman, I have enjoyed my stay in Washington. The friends I have

made here, the associations which will remain with me as long as I live, are matters of deep and abiding joy. It has been a great and moving experience to have served the people of the Third District of Nebraska in the Congress of the United States.

In spite of the joy of being able to serve, in spite of friends and associations always remembered with gratitude, Mrs. Stefan and I have only "stayed" in Washington. In spite of all of these great and good gifts—when this session of Congress is ended—we want to go back to Norfolk. We want to go home.

We want to gain strength by being where our children were born and raised.

We want to go back to the house we made into a home.

We want to go back to the neighbors in Norfolk whom we love and who love us.

We want to go back to our citadel of Americanism, that stronghold of memories, of inspiration, and of realization.

We want to go back to Norfolk—our hometown, United States of America.

UNFORTUNATE REMARKS ON THE BRANNAN PLAN

Mr. MILLER of Nebraska. Mr. Chairman, it is with some degree of regret that I feel compelled to call the attention of the House to some remarks made by the gentleman from the Second Congressional District in Nebraska [Mr. O'SULLIVAN] when he spoke on the Brannan plan yesterday. His remarks appear on page 10064 to 10066 of the CONGRESSIONAL RECORD of July 20.

The gentleman, in my opinion, violates the rules of the House when he adroitly and by a rhetorical trick refers to "Nebraska's junior Senator as being cross- or cock-eyed," and having "a disturbed nervous system which creates a monstrosity"; and "there are mental conditions where one may actually see elephants and even monstrosities, that are not, and never were there," and then urges, "that if I ever begin to see monstrosities where they do not exist, I want my friends to take me pronto to a sanitarium and get the right kind of a doctor for me quickly," and "I would want to be locked up and be given treatment." If he is not referring to the distinguished minority leader in the other body, to whom does he refer?

I maintain, Mr. Chairman, that these remarks are by inference a reflection not only upon the distinguished minority leader, but upon the other body. He certainly is devoid of any mental breakdown to which the gentleman from the Second Congressional District of Nebraska so adroitly and cleverly seems to infer. I trust that the gentleman will confer with the proper party officials on his side of the aisle and then move to have these unfortunate references stricken from the permanent RECORD.

The gentleman from the Second Congressional District also refers to the Brannan plan poll that he had taken. This must be a mysterious and unusual poll, because he said that his poll showed that farmers in his district were 5 to 1 for the Brannan plan, and that I, who represent the Fourth Nebraska District,

was mistaken in how the farmers of Nebraska felt about the Brannan plan.

The poll taken by the Omaha World Herald in my district showed 32 for the Brannan plan with 1,321 opposed. This was about the same percentage received by the other four Members of the Nebraska delegation. I challenge the gentleman from the Second District to make public the actual vote he received from the farmers in his district on the Brannan plan.

Now as to the bill before us. I am going to support the Gore amendment. It is the same bill as I introduced and is known as H. R. 5464, with the exception that my bill made the present law permanent and repeals outright the Aiken amendment which would otherwise go into effect January 1, 1950. The Gore amendment merely puts this off for 1 year.

I cannot support the Pace bill. It is similar to the Aiken bill. It has been shown without question that the Aiken bill came up from the Department of Agriculture in the closing hours of the Eightieth Congress. It was never passed on by the House, but was an agreement from the conference. The Aiken, the Pace, and the Brannan bills are rotten apples from the same tree. They would regiment the American farmer and the cost is unknown. Either of these bills would make it necessary for the farmer to depend upon appropriations from Congress. It is not a farm plan, but a scheme to snare votes. It is a sort of Pandora's box, and a political Christmas tree, trying to give something to everyone.

In my opinion the farmers merely want a fair income—a fair profit. They prefer the program they now have. They understand it. I think it would be a mistake in these troubled times to take on some new and untried experiment such as suggested by the Pace bill. It is really a part of the Brannan plan. Let the camel get its nose under the tent and there is no telling just how far food subsidies to the consumer would go. It would not be satisfactory to the farmer or the consumer. I shall support the Gore amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

[Mr. BONNER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. BONNER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the farmers of the country are afraid of these trial run proposals and they are afraid for the reason that they see in this an effort to take the power and the money of the Federal Treasury to beat them out of their normal market price; then when the Treasury runs out of funds, leave them holding the sack, with the normal market price taken up by the spread of charges to middlemen.

That is the short and simple fact.

This is the first time it has ever been proposed that funds of the Federal Treasury be used to bribe the farmer to give up his normal price in the market, then take the chance that what he will be left with is no appropriations available to make the payments when they become burdensome and taxes ever higher.

Milk today averages about 20 or 21 cents a quart over the country to the consumer but the farmer gets only 6 or 7 cents an average out of that. When it was first proposed to bring milk down to 15 cents a quart by use of production payments it was clear this would leave the farmer getting only 2 or 3 cents a quart in the market. If the Government then ever quit paying him production payments, where would he be? If milk should come down let the cut be all along the line.

Of course milk is out of the bill—out of this trial run, now, and so are hogs out of it because the other meat producers knew what would happen if money for hogs were used to beat down the price of all meats.

The proposals in the committee bill are in the direction of the Brannan plan. The people do not want to risk them. They prefer to deal with the ills we now have and deal with them directly than to fly to ills they know not of. The Gore substitute should be adopted to let us work this thing out.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM to the amendment offered by Mr. GORE: On page 8, beginning on line 10, renumber sections 6 and 7 as 7 and 8 and insert a new section 6 reading as follows:

"Sec. 6. Section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act and for other purposes,' approved August 24, 1935 (7 U. S. C., 1946 ed., sec. 612c), is amended by adding at the end thereof the following: 'The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (31 U. S. C., 1946 ed., sec. 712), and section 5 of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes' (31 U. S. C., 1946 ed., sec. 713)."

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Tennessee.

Mr. GORE. The amendment which the gentleman from Oklahoma has offered is not in the present bill but it is in title II of the Aiken bill. It is also verbatim in the committee bill. I have advised with the distinguished gentleman from Mississippi [Mr. WHITTEN] who has done more, I suppose, than any man in Congress with respect to section 32 funds, and he finds no objection to

the amendment, nor does any member of the committee. However, it would probably be meaningless, since practically all of the money is committed.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. WICKERSHAM].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RAYBURN].

(Mr. WORLEY, Mr. SUTTON, Mr. WHITE of California, Mr. POAGE, Mr. PACE, and Mr. GRANGER asked and were given permission to yield the time allotted to them to the gentleman from Texas [Mr. RAYBURN].)

Mr. RAYBURN. Mr. Chairman, I am almost ready to say that I fear I am speaking to minds that are closed. But, I did not want to let this opportunity pass without saying just a word. Heretofore I have heard all of these fears expressed on the floor of the House with reference to something that was new, something that had not been tried, and criticizing a trial run. I have not known any legislation of far-reaching consequence in all the years that I have been a Member of this House that was not a trial run. I remember when the farmers of the country were in darkness, and many of them are still in darkness, and if they had depended upon their friends, the public utilities, to build lines out to their little homes in the country, they would still be in darkness. When I was carrying through the House of Representatives many years ago rural electrification, authorizing the appropriation of \$450,000,000 over a term of years, the same men usually, sound men usually, said, "This is a venture that will lose the Government of the United States \$450,000,000, because the farmers will take these lights, and when the bill comes around, they will have them taken out." Well, if farm prices had remained what they were then, and if no planning, no program for farm improvement had been put into effect by people who had the courage to make a venture and try something new, they would have taken them out, because they would not have had the money to pay the bills in the first place, and they would not have had the money to wire their houses. We have loaned millions upon millions of dollars for those things.

I have listened to this debate and I have listened to the members of this committee, and let me say to you, my Democratic friends, that I found out a long time ago that in this House the people get along the best who go along the most. When 17 of my Democratic colleagues unanimously, after 6 months of laborious and hard study, bring into this House a measure, I would hesitate long and prayerfully before I would fly in the face of those gentlemen. This is something new but, in my opinion, after reading and listening, this is a better-thought-out program than we have on the books today, this is a sounder program than we have on the books today and, in my opinion, in the long run it

will cost a great deal less money than the program we have in operation now.

It seems to me we should have this trial run, so that we may see what this thing does. If we get a mix-up here, if we pass nothing except this extension, and then the Senate does not take it up, the farmers of the country are going to have the Aiken bill hanging over them the first day of January. If we do something about it here today more than simply extend what we have, which has been proven to be tremendously costly, in my opinion the cost of it is going to be such that one day it is going to injure the farmer and injure farm legislation.

Let me call your attention to this one thing, too. The city folks for all these years have gone along with us farming sections of the country and have voted unanimously for our programs, out of which they got little or nothing except a greater buying power on the part of the farmers to employ their people and buy their things. But some of these days, unless we pay a little more attention to the consumers of this country, they may rise up themselves and make it hard for us to continue a farm program that will be in the interest of the people. It is vital to every industry in America that the thirty-odd million people on the farms have buying power. When those thirty-odd million people have buying power, it puts people in town to work, and when people in town are at work at good wages, with high buying power, then they can buy what we produce on the dirt and out of the dirt.

I ask my Democratic friends to stand by these 17 men and let us have a trial run on this thing that, in my humble judgment, is much better than what is upon the statute books today and which you may extend today.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, this is a long time to wait to get this short time to talk. Let me tell the House that there is another way to equalize prices and stabilize our national economy which may seem novel at this late day, but the plan is as fundamental as these hills and is basic as the soil. First let our Government give this country a sound, adequate, workable money system that will provide the necessary cash with which to transact the business of our country, and with this let us pass the necessary laws to strengthen the Federal Trade Commission to protect both small and new enterprises from the unfair competition and unfair trade practices of big business and organized industry.

If we will do these simple things to unfetter competition and give free play to the law of supply and demand, the thrift, industry, and enterprise of the people of this country will soon make the necessary adjustment in our price structure by competition that will equalize prices automatically, which we seek to do by this bill, adjust prices by spending money in carrying out an artificial program.

Mr. Chairman, as we have neither a stable, adequate, workable money sys-

tem or any plan to strengthen the Federal Trade Commission or to preserve and protect competition and new enterprise in this country from destructive price manipulation and unfair trade practice, then I shall vote for this price support program for the following reason:

In considering our present commodity price level and ways and means to maintain the stability of our national economy by keeping the price structure in balance, I am sure you appreciate the necessity of maintaining the equilibrium between the price of the products of the manufacturer which the farmer must buy and the price of the products of agriculture which the farmer must sell. In other words, maintaining the balance or parity in the price level that will provide purchasing power in the hands of the farmer—purchasing power that is indispensable to the support of the market for the products of the manufacturing industry, together with the services of distribution and the transportation system, industries that are the big employers of labor.

If high prices are to prevail on one side of our price structure, it is vitally important, if we are to have a stable economy, that prices are in balance on the other side. If farm prices are permitted to drop out of line with the prices of manufactured products to a level where those engaged in agriculture lose their purchasing power and their ability to support the manufacturers' and distributors' price structure, then our national economy will be upset, just as it was after the First World War, when credit was contracted and currency retired—a condition which is within your and my personal recollection.

It may be of interest to review some of the causes of the farm depression of that time.

In the first place, with a war on, business organizations and manufacturing companies found a long-sought opportunity to raise prices of their particular products. War conditions precluded any new competitors from entering the field which the big manufacturers found they had practically all to themselves in the war period, when you and I saw everything that the farmers must buy double in price. Barbed wire, theretofore selling at \$1.50 per spool of 80 rods, went to \$6; nails from 5 cents per pound to 8 and 9 cents per pound; a 5-foot McCormick binder from \$175 to \$350; baling wire from \$2.50 to \$6.50 a bundle, and so on, through the entire list of every manufactured thing the farmer must have; and then what did we see? We saw the profits and cash reserves of these manufacturers and distributors piled up in huge cash surpluses, and we saw an inflated stock market get out of bounds, and we saw the manufacturers and distributors with their swollen profits, drained from those engaged in farming, and the other basic industries keep these cash reserves—these winnings—from their stockholders, and avoiding income taxes by issuing stock dividends, and everybody was prosperous in an inflated market except the farmers and those engaged in the other basic industries. Then we saw the banks attempt to

arrest this dangerous financial trend by curtailing loans and shutting off money to the speculators, only to have the industrial concerns, attracted by high interest rates, step in and support the inflated securities market, by lending their cash surpluses to the speculators—money that had been drained away from the farming and basic industries until the farmer, having lost his purchasing power, could no longer support his part of the national economy. The result was that the whole price structure tumbled into a depression that has cost the American taxpayers billions of dollars in an effort to restore a balanced economy. So we have come to hear much about price parity and are devoting much time and money to devising schemes to support farm prices.

In considering our economic problems today, in order to demonstrate the necessity for support prices, for farm products, we need to take just one manufactured commodity for an example, barbed wire. Back in the days when the law of supply and demand and unfettered competition gave us price parity, the farmer bought an 80-rod spool of galvanized barbed wire for \$1.50 to \$2 per roll. Now he must pay from \$8.50 to \$10 per roll, and so on through the list of farm necessities.

Now if the prices of farm products are permitted to drop, and the manufacturers and distributors are successful in holding up the prices of the things the farmer must buy as they did back in the 1920's, our national economy will be upset, our price structure will be wrecked, and our financial pump will lose its prime—that is, bank loans will be contracted and currency—money—retired. When value is gone, the bankers have no basis on which to extend credit, and without credit there is no basis on which to create and issue currency—money—making it necessary to adopt many expedients and take heroic measures to stabilize prices and again prime the financial pump.

When the farmer has lost his purchasing power and is unable to support his part of the national economy, the manufacturing, distributing, and transportation industries will suffer irreparable losses, along with the farmer, the miner, the lumberman, and the fisherman, representing our four great basic industries.

Let us preserve and protect the prosperity we now enjoy by maintaining a balanced price structure, with purchasing power in the hands of industry's best customer—the farmer. If we are to have permanent prosperity, we must maintain a stable national economy by establishing price parity, which can best be achieved by a constructive farm price support program.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. O'SULLIVAN].

[Mr. O'SULLIVAN addressed the Committee.]

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order now which should have been made when the gentleman spoke on yesterday. I make the point of order that he is violating the

rules of the House in making such comment upon a Member of another body.

Mr. Chairman, I ask unanimous consent that his words be stricken from the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all Members desiring to do so be permitted to extend their remarks at this point in the Record on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, in summarizing the debate on this important bill H. R. 5345 and the various amendments that have been proposed to it which proposes to improve the production and sustain the price on farm products. It would seem in order that something should be said about improving the farmer himself. The almost complete regimentation of the farmer and the products of his farm is so evident in this bill that I believe we should fully realize the dangerous trend toward a planned economy and toward eventual socialism that the passage of this bill H. R. 5345 would lead to. Let me read the following from a recent issue of Economic Trend Line Studies which is significant of the regimentation this bill will bring about:

Within recent weeks the United States Department of Agriculture, through Secretary Brannan, has submitted to Congress a plan with a new and entirely different approach to the problem of maintaining farm prosperity. Modesty apparently prevented Mr. Brannan from revealing the ultimate possibilities of this program. Economic Trend Line Studies, therefore, deems it a public service to point out how some of these possibilities might be realized in future years. In brief, Mr. Brannan proposes to:

1. Let prices of farm products seek a level determined by supply and demand;

2. Pay farmers the difference between the market prices they would receive for their products and prices that will guarantee the farmers a high fixed share of the total national income. This is designed to give consumers low prices and farmers high prices—in short, to substitute income parity support for price parity support;

3. Exercise such controls over farmers in their planting, production and marketing of farm crops as to prevent them from producing unneeded surpluses.

This program thus far seems to have failed to impress Congress, the farmers or the public. Perhaps it is because they do not grasp its profoundly conceived objectives. The Department of Agriculture certainly has proved its ability to increase the productivity of everything on the farm with a fence around it. Why not let the Department put a fence around the farmhouses and improve the farmers, too?

As a matter of fact, in the eight and one-half decades of its existence the United States Department of Agriculture has devoted so much of its time to the improvement of farm crops and animals that little time was left for the improvement of the farmers themselves. Now, when the Department is ready to proceed in this direction, this great and venerable bureau has made a horrifying discovery. The farmers obstinately resist the bold new plans of the Department to make livestock, poultry, pigs, ducks, geese, rabbits,

farmers, and the Department of Agriculture one big, happy, indistinguishable organization.

The central problem in the improvement of the farmer is the curbing of his tendency to produce the crops that will make him the most money, irrespective of the existing needs or demands of consumers or the instructions issued by the Department of Agriculture. This tendency results in politically embarrassing and costly surpluses of certain crops and rankling criticism of the Department's staff, which would invariably be right if the farmers would do as they are told. The Department then faces the necessity of disposing of these surpluses even though it requires their destruction, a useless and wholly unnecessary waste of soil resources and of the Department's time.

The Department of Agriculture, therefore, should develop a breed of farmers so responsive to its directives that production of all the principal crops could be controlled within extremely close limits. The Department would then be able to direct farm production with respect to the proper conservation of soil resources and the observance of those practices that restore and increase soil fertility, and still provide an abundance of food, at the same time keeping farm population within bounds, or did we say fence? Perhaps the Department ultimately could produce farmers that would be both blind and deaf to all communications except Department publications and press releases.

It should be obvious, of course, that the development of the proper kind of farmer by the Department is essentially a biological problem. One of the most difficult obstacles to be faced by the Department in this connection would be the necessity of providing each farmer unit (male, female, and progeny) with sufficient land resources to provide for its full and adequate development. The development of farm animals has proved this. A dairy cow must have a minimum of good pasture if it is to reach full production.

The Department could provide this land room for farmer units by limiting the production of the largest units so that expanded opportunities could be made available to the smaller units. There would doubtless be much opposition from the larger units to this equalizing of opportunity and, of course, there would be a temporary reduction of over-all farm production. The advantage the larger farmer units now possess, however, would gradually be overcome by natural competition as the quality and breeding of the smaller farmer units were improved.

A problem for which no immediate solution is available is presented by the presently uncontrolled intermarriage of the farmer units without regard to selection for improvement. The successful development of animal husbandry has shown that the science of genetics can sufficiently control inherited characteristics. The Department could apply this knowledge to the improvement of farmer units. Once the characteristics and traits to be developed in the new type of farmer unit by the Department are agreed upon and established, the Department personnel should experience little difficulty in working out satisfactory social procedures. Research by properly trained scientists into the personal attractions the female exerts that result in mating should make it possible for the Department of Agriculture to endow the most suitable females with sufficiently superior attractions to give them the necessary advantages over females classed as inferior. In this way the Department could control satisfactorily the element of natural selection. As this approach was developed fully the less desirable male and female stock would be forced to mate and, being unable to compete successfully with the more vigorous and able selected farmer strains, would ultimately succumb and disappear.

It should be perfectly evident that this plan as outlined would eliminate what could otherwise become a chronic farm problem and a threat to national prosperity, not to mention its threat to the prestige of the Department of Agriculture. The Department, therefore, should readily obtain the cooperation of Congress and the various important social agencies in the accomplishment of its objectives.

Under the American free enterprise system, incentive must be employed to gain the voluntary cooperation of any section of our people and, in this respect, the farmer must not be made an exception. He must not and cannot be made by force to accept any plan or program, however beneficial to him as an individual or to the Nation as a whole.

It is for this reason that the Department of Agriculture has proposed that the farmers as a group be guaranteed a fixed proportion of the national income. Thus assured of continued and uninterrupted well-being the farmer should be willing to cooperate voluntarily and vigorously in the Agriculture Department's program and submit himself to a vigorous plan of self-improvement.

The Department, of course, should plan to provide the necessary safeguards to make sure that the farmer units fulfill their obligations. Sufficiently painful penalties should be provided for those farmers who take time off during the planting and harvesting seasons for such pastimes as fishing or hunting. Furthermore, farmers should not be permitted to go to town during the busy seasons except for machinery repairs, certified as bona fide by the community commissar, responsible only to the Department of Agriculture. Intoxication at any time should be subject to drastic penalties as it is not only damaging to the farmer units well-being but tends to breed undesirable characteristics in farmer stock. Male farmers who might mate with females classed as inferior by the Department would be automatically excluded from the plan's benefits.

A complete agricultural education, including college, should be required of selected farmer stock. During this period farmer units in training, both male and female, would be carefully conditioned and intensively indoctrinated with a view to inculcating into them an unquestioning acceptance of the improved ideas, viewpoints and bold new plans fostered by the Department's program. This would protect the social investment the Nation is being called upon to make and should guarantee the success of the agricultural program.

The adoption of the program would proceed more swiftly no doubt were it not for the present futile attempt to assure farm prosperity by farm price supports. Proponents of this plan must be made to realize that price supports are doomed to failure because the present body of unregenerate farmers takes advantage of every price that is fixed too high in ways that the Department finds it impossible to anticipate. Then, too, in the fixing of prices there are sometimes political considerations which unfortunately cannot now be kept out of these calculations. Farmers voting under Department dispensation could not be tempted to vote for unearned handouts. They would know instinctively how to cast their ballots. It is evident that many, if not most of our existing farmers are now inspired solely by the profit motive, and are interested only in taking full advantage of the unavoidable errors of the present price support plan to their own selfish individual benefit.

No place for such a spirit would exist in the proposed new Department program. Such selfishness succeeds only in exploiting our rapidly dwindling soil resources and gives the farmer money he does not need if he stays within the fence the Department puts

around the farmhouse. What we want is farmer units that make conservation and restoration of soil resources their primary goal and let their individual profit and pleasure be determined by the Department of Agriculture, which is in a much better position than the individual farmer to determine what pleasures and what proportion each should have of the total available agriculture income. These objectives the proposed department program is designed to achieve.

Mr. Chairman, unless the Gore amendment is adopted, I urge the defeat of this bill H. R. 5345 because of the danger of the loss of liberty and freedom of the farmer and the planned economy which this bill would bring about, which has been such a dismal failure in socialistic Great Britain, unless the Gore amendment is a complete substitute for the Pace bill H. R. 5345 and will have the present parity program as it is and should be approved.

Mr. FELLOWS. Mr. Chairman, as the Representative of Maine's and the country's greatest white potato producing county I would like to call to the attention of the House the tremendous contribution to the war effort made by Maine farmers, and the patriotic endeavor of our growers to carry out the wishes of those who asked that acreage be increased and production upped to the highest possible point to insure food for our citizens and our allies, during and immediately following cessation of hostilities.

Tolerant of seemingly inconsistent statements and actions on the part of Government authorities, the farmers of my State continued to exert every faculty and facility to perform their part in the programs mapped out in Washington. It was not always easy to understand the conflicting demands to say nothing of carrying them out. To people producing certified seed, for instance, it was difficult to explain why this Government would permit Canada to ship in seed when our own citizens were growing more than sufficient to plant our entire commercial acreage, and three-quarters of a million noncommercial acres.

While the Government and the press complained bitterly at the high cost of supporting the price of white potatoes, the same Government allowed importation to the point where it was obvious that the expense of the program was increased by practices that to all intents and purposes had this Government supporting the price of Canadian potatoes as well. No justification for this confusion and lack of coordination in the plans of the various departments of our country could be found. And keen resentment was felt at the unpleasant and undeserved publicity directed at the potato farmers of the country for the cost of a program made exorbitant through no fault of the farmers themselves.

In the last 5 years potato farmers have voluntarily reduced their acreage some 36 percent. In fact, the acreage planted in each of the last 5 years has not been as great as the Department of Agriculture itself recommended. To those who have damned the potato industry I would point

out that the voluntary decrease in acreage was in face of an existing support price of 90 percent of parity.

Maine farmers by improved methods and hard work, with other sections of the country, were able to produce a surplus even though planting greatly decreased acreage. As has become customary late years, criticism and calumny were heaped upon the heads of our farmers for their very success. To be successful is to be criticized and unpopular.

Potato men, recognizing the situation themselves, recommended that the support price be reduced from 90 to 60 percent of parity.

We all recognize—farmers, labor, industry, and the consuming public—that if the farmers suffer disastrous losses the whole economy suffers. And in any year when potatoes have been below 60 percent of parity the condition has been reflected throughout the land.

The farmers of this country—the little men and the big growers—are the producers of food and of clear American thought. They are themselves one of the greatest crops we raise, and we could never produce a surplus to fill the need for such thinking as they do. They do not ask to be guaranteed a profit, they want to be insured against disaster.

I bespeak consideration of their situation.

[Mr. CASE of South Dakota addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GROSS. Mr. Chairman, I have listened patiently to the debate on these various proposals dealing with agriculture and some of it would be most amusing were it not for the fact that here we are dealing with the economic fate of this Nation, for agriculture is its basic industry.

In formulating a program, designed to provide economic stability for the Nation's basic industry, no one in the cities and towns is making a concession—no one is making a gift to the farmer. Unless farm income is kept at a high level from year to year those in the cities and towns can look for greater unemployment and in the end—a back-breaking depression.

There are several reasons why I find it impossible to support the Brannan plan as contained in the Pace bill. Time permits stating only briefly my viewpoint. For years there has been tinkering and experimentation, changing the rules every few months, so that the farmers of Iowa and the rest of the country scarcely know from one 6-month period to another what they were supposed to do or how.

The Brannan proposition is entirely new in many respects and wholly untried. No one knows its cost, estimated or otherwise. It does give a Secretary of Agriculture tremendous and arbitrary power. One of the great difficulties of the past has been the maladministration of measures, enacted by Congress in good faith, for the purpose of aiding both farmers and consumers. It is time to stop delegating enormous and arbitrary powers to appointive officials. Long ago,

Congress should have enacted into law a farm program which based prices upon cost of production plus a reasonable profit for those products used in domestic consumption. That is the basis of price used by industry and business—by all those with whom the farmer transacts business. If there is a sincere desire to provide the farmer with the year-to-year security to which he is entitled that is the formula and program to which Congress should have centered its attention.

Much has been said during this debate concerning farm surpluses. Members of Congress may just as well recognize now that there is little or no foreign market left for American farm products. And we will only hasten the day of national bankruptcy by continuing the insane policy of permitting foreign food products, already in surplus supply here, to be imported by the boatloads into this country.

I shall support the Gore amendment for the reason that I believe the program which it provides can well be continued for another year and I have grave doubts concerning some provisions of the Brannan plan. In the meantime, let us formulate a permanent program for agriculture based upon cost of production and not 60 or 90 percent of parity. Let us put the farmer on a basis of equality with every other industry.

[Mr. HAYS of Ohio addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. WICKERSHAM addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. MORRIS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. McCARTHY. Mr. Chairman, the essential purpose of the committee bill, reflecting, as it does, the intention of Secretary of Agriculture Brannan, is to strengthen the agriculture price-support program and to give to the Secretary power to prevent the occurrence—involving many other commodities and much larger sums of money—of cases similar to that involving potato surpluses last year. Some of the gentlemen who have spoken earlier in the debate on this bill have expressed the opinion that only those Members of the House who have been here for years are informed on this problem, and have suggested that everyone without experience should blindly follow their lead. This is not only an insulting suggestion, but one which disregards the fact, that having been free from the distractions of congressional activity, Members who have not been here for so long have probably had more time to study these problems. I will say to the gentlemen that I have heard more unsound economic arguments from the opponents of the Pace bill in the last 2 days than one would hear in a month of conversation with less informed people.

Who pays the bill for price support under the provisions of the Gore bill? It will be paid by the consumer—forced to pay a high price in the artificially sus-

tained market—and it will be paid by the taxpayer by appropriation out of the general revenue. Who will pay under the Pace bill? The consumer will contribute to the support of basic nonperishable commodities; the taxpayer will continue to make up the deficit, but farm producers will also make a contribution—making some slight concession, to the end of stabilizing the farm-market prices and farm income.

The opponents of the Pace bill are setting the stage for the destruction of foods. This is waste in its worst form; this is waste today approved by men who were loudest in their denunciation of the program of destroying feeder pigs in the depression of the nineteen thirties.

The Pace bill proposes to give the Secretary of Agriculture powers to meet a problem. The opponents refuse to give him this necessary strength. The agricultural price-support program is dangerous. Members on both sides of the House admit to this. It is dangerous. Under any law the Secretary of Agriculture will have a bear by the tail. We propose to give the Secretary of Agriculture and the administration the right to hold on with two hands; the Republicans, aided by the dissidents and some special-interest Democrats, would allow him the use of but one hand.

Mr. LARCADE. Mr. Chairman, I have received the following telegram from Mr. W. E. Anderson, commissioner, Louisiana Department of Agriculture:

Re letter July 16, has studied enclosures carefully. Feel it would be better to let legislation stand as is by passage of Gore substitute. Do not believe Agricultural Adjustment Act of 1938 as proposed to be amended by Pace bill H. R. 5345 or the Aiken bill will produce the desired objective of stabilizing agriculture to meet domestic requirements at parity without seriously stymieing individual farmer initiative and freedom in farm manipulation which is most desirable. Such desirable legislation can and should be developed.

Mr. JENNINGS. Mr. Chairman, much has been said about the paternity of the Brannan plan. It has been said that Henry Wallace, Rexford Tugwell and Alger Hiss are the joint parents of this proposed farm measure. Its origin is shrouded in the obscurity that characterizes illicit associations.

It is a matter of regret that an effort has been made in the debate on this measure to inject into its consideration partisan politics. No good can come to agriculture by driving a wedge between the Republican friends and the Democratic friends of the farmers of this country.

I am supporting the Gore amendment. My able and aggressive colleague from Tennessee made a courageous, constructive and convincing speech in favor of his amendment. He ripped the Brannan plan up the back and split it down the middle. He exposed its fallacies and its utter unsoundness.

The Brannan plan as a whole has been abandoned by its sponsors.

Mr. Brannan, Truman's Secretary of Agriculture, in the early spring of this year, came up with this new plan for the farmers and consumers of this country.

He advocates that farmers produce all the food and all the farm products that

it is possible to produce, and that they sell them for whatever price they can obtain, regardless of how low that price is. By thus cheapening the products of the farm he proposes to enable all of us to buy our food and anything that is produced on the farm for less than it is worth. In other words, he proposes by this scheme promptly to reduce the cost of living for the consumer and then he proposes for the Government to pay the farmer the difference between what he sells his products for and what would be a good price for such products, so that under this plan, the farmer will be more prosperous than ever and we will all buy our food for less than we have ever paid for it heretofore. Let us see what the catch is in Mr. Brannan's plan. Where will the Government get the money with which to pay the farmer this high price for his wheat, corn, oats, beef, pork, poultry, milk, butter, vegetables, wool, cotton and other products produced upon his farm? Will this money come from some benevolent foreign government interested in the welfare of our people? No, because there is no such country in the world. This money with which Mr. Brannan proposes to pay the farmer will come from the farmers themselves in the form of taxes. It will come from the people who buy the farmers' products for less than their market value. It will come from the taxpayers of the United States. In other words, although the American people are today the most heavily taxed people in the world, Mr. Brannan proposes to levy an additional tax burden upon the American taxpayers of ultimately not less than \$10,000,000,000 per year. And if you have eyes and will look, you will see following these bureaucrats who come with a bribe in the one hand and a strait-jacket in the other, a shadowy host of uncounted numbers who will be the army of Federal employees who administer this new form of Government subsidy. Mr. Brannan is proposing to give the American people something for nothing. He is flying in the face of the truth that sooner or later we must pay for all that we get. It is my belief that the level-headed, sound-thinking farmers of this country, along with all the other people of this country who believe in the American way of life have not fallen for Mr. Brannan's farm program.

FARMERS ARE HARD TO FOOL

The farmers of this country have always been our most conservative, thoughtful, and careful citizens. They are not easily led astray by fakers and by demagogues who offer them something for nothing. Our farmers are rugged, level-headed individualists. Under the Brannan plan they are offered a mess of pottage for their birthright. For the surrender of their independence and their control over their own farms, they are offered a well-heeled form of servitude.

The Brannan plan offers the farmers a Government-guaranteed farm income. This offer is made to the farmers who operate our smaller and medium-sized farms.

Coupled with this farm plan as originally made is the old drive to limit all incomes to \$25,000 a year. This is in

keeping with the policy of the Soviets when they took over Russia. They shot all the kulaks, that is, farmers who owned their own farms. The Brannan plan directly discriminates against these large producers, and it discriminates against the small farmers. It is true that farmers who produce as much as \$25,000 per year on their farms are probably not more than 2 percent of the farmers. These large producers would be forced to either go out of business or to split up their farms. The destruction of these large farmers and the splitting up of their farms would be detrimental to the consumers of this country. The owners and operators of these large American farms, by the use of farm machinery, produce large quantities of food—wheat, corn, cattle, dairy products, hogs, sheep, and poultry.

The Brannan plan is designed to get votes for the administration. All that the farmers who benefit by this plan would lose is their freedom. And when they lose their freedom, they lose everything worth having.

THE FARM BUREAU FEDERATION OF TENNESSEE IS OPPOSED TO THIS MEASURE

I was gratified to learn in a letter from my friend, Tom J. Hitch, formerly of Maryville and now of Columbia, Tenn., president of the Tennessee Farm Bureau Federation, that this great organization does not favor the farm program proposed by Charles Brannan, the Truman Secretary of Agriculture. On the contrary, the Tennessee Farm Bureau Federation, favors the Gore amendment. The Tennessee Farm Bureau Federation places its opposition to the dangerous Brannan plan on the ground, first, that it proposes to discard the parity concept and the present farm program based on it which the farmers of this country through their organization have spent 25 years in developing. Second, the Brannan plan proposes to substitute for this tried program, a new and untried program with no farmer background of thinking or experience. Our sensible farmers do not favor giving up a tried and tested plan which has worked for a ready made, socialistic plan written by bureaucrats in Washington. Third, the Tennessee Farm Bureau Federation proposes to stand by the safeguards to farm prosperity and fair prices for farm products as set out in the present law and continued by the Gore amendment. And it rejects the high income and price support standards covering all farm commodities and the rigid regulation and controls on production and administration, which the Brannan plan originally proposed to rivet on the farmers of this country.

This part of the Brannan program is socialistic and impossible of attainment.

The Farm Bureau also places its finger upon the deadly feature of the Brannan plan, that is, the stripping of the farmer of the right to run his own farm and his own business, and the placing of the regulation and control of the farms and the farmers of this country in the hands of a bureaucrat in Washington.

If the power-hungry bureaucrats of Washington are permitted to take this step, they will have taken the long, last, fatal step toward centralization of all

power and control in Washington over the farmers of this country.

On June 11 of this year, Mr. Truman sent his Vice President, Mr. BARKLEY, and his Secretary of Agriculture Brannan, and a host of other New Deal bigwigs out to Des Moines, Iowa where on Sunday and Monday they undertook to convince the farmers of Iowa and the great adjoining agricultural States of the Middle West, that the Brannan plan is the panacea for all the ills with which the farmer and the working people of this country are afflicted. Mr. Brannan made a speech in which he denounced the so-called Hope-Aiken bill passed by the Eightieth Congress.

The hard-headed Midwest farmers listened to Mr. Brannan and then said to him, "We want to keep our parity prices under the law as it now is, and you can keep this Brannan plan for your New Deal candidates to run on in the November election in 1950."

Mr. Brannan in his speech seemed to be a reincarnation of Harry Hopkins who was the author of the New Deal slogan—"Tax and tax, spend and spend, and elect and elect."

What have we here today? We find that the sponsors of the Brannan plan have eliminated hogs from their program. Frightened in the overwhelming opposition of this House, they come to us with a potato in the one hand and an egg in the other, and say they are willing to compromise if we will give them a trial run on potatoes, egg, and shorn wool.

The most enthusiastic sponsors of this program are from the South. They overlook the fact that the Brannan plan is aimed at the agricultural South and all other agricultural sections of this country. These gentlemen from the Southland are inviting disaster to the agriculture products that are protected by the Gore amendment. They are inviting disaster to the prosperity of farmers everywhere in this country. They overlook the fact that you cannot go halfway over Niagara. Once the farmer surrenders the control of his farm, he gives up his liberty. And when he loses his liberty, he loses all.

It is liberty alone that gives the flower of life its fragrance and perfume, and we are weeds without it.

The fact that the Brannan plan is supported by the radical labor leaders of the country is in itself a warning to the farmers. The Brannan plan is the opening wedge in a drive to bring American agriculture and American industry down to the level of the socialism and controls in which Great Britain finds herself today.

On July 18 Foreign Secretary Ernest Bevin told Commons that one of the problems behind the dollar crisis of Britain and the sterling area lies in the fact that the United States is "a welfare state."

Citing the United States system of high unemployment insurance, sick pay, and the possibility of "a great medical service," Bevin said:

The United States is as much a welfare state as we are, only it is in a different form. One of our difficulties in the balance of payments today is the fact that the United

States, in carrying out its welfare policy, has given basic prices to agriculture.

The farmers of this country are co-laborers together with God. They keep step with the procession of the seasons. There is a life of toil, but it is a life of freedom, self-reliance, and happiness. Their friends and they themselves do not propose that they shall be stripped of their dignity and self-respect.

The men and women on the farms of this country have made their voice heard in this House, and it is my belief that when the roll is called there will be an overwhelming majority in favor of the Gore substitute for the Brannan plan.

This is no time to adopt an untried, paternalistic, drastic, stifling control over the production of farm products without which our people cannot live and our country cannot prosper.

Mr. HESELTON. Mr. Chairman, it seems to me that the patent defects in the proposal of Secretary Brannan, as contained in the bill now before us, have been demonstrated beyond the possibility of any refutation.

It is unnecessary to refer further to the argument which has been advanced that the enactment of this bill would be advantageous to the consumers of this country. It is true that it has a surface appeal in the sense that it could result in somewhat lower prices. But I am convinced that the great majority of the American people realize full well that this is both a deceptive and an untenable argument. No such economic ledger-main would deceive the American people for any length of time if the plan were put into operation, even on a trial-run basis. More than that, I am convinced that the American people thoroughly understand that this involves the economic fallacy of being able to eat our cake and to have it.

The argument that we can afford to experiment in any such field falls of its own weight. If any experimentation would be of any value, in passing upon this legislation, we definitely have before us the actual experience in England. As has been pointed out repeatedly, the government there has recently been forced to admit that the only source from which such experimentation can be financed is from taxes imposed upon the people. That they should have been confronted with a completely unexpected cost of their experimentation should be sufficient warning to those who defend similar experimentation here.

In my judgment, the clear-thinking and constructive action which has been taken by the great farm organizations of this country constitutes advice which we should all weigh very heavily. They should be commended for their patriotic and statesmanlike approach to what might have seemed to be an alluring proposal.

Within the last few days in Massachusetts, the Massachusetts Farm Bureau Federation undertook a poll throughout the State in an effort to develop the opinions of farmers in Massachusetts. I am glad to report that I was advised this morning that on the question of the adoption of the Brannan plan, in whole or in part, and with reference

to any trial run, 90.3 percent voted against such proposals.

On the whole, I think it has been a good thing that this proposal has been brought before us at this time. It has afforded an excellent opportunity to members of this body to become fully acquainted with the nature of this proposal so that we may have an opportunity to pass collective judgment upon it. I do not have the slightest doubt as to the verdict. With the atmosphere then cleared and with the vast amount of information now developed, it should be possible to devise, with the assistance of representatives of those engaged in agriculture in this country, a sound, long-range program which will truly be beneficial to agriculture and to the Nation as a whole. As I understand it, that is the recommendation of these great farm organizations. They believe it to be possible. We certainly should welcome their assistance in this effort.

Mr. MARSHALL. Mr. Chairman, I am opposed to the Gore substitute as an amendment to the Pace bill. At this time, more than at any time in the history of our great Nation, we need to develop markets for our agricultural products. In a few short years we have seen a period in which the demand for farm commodities has gone from the surpluses of the late twenty's and early thirty's to a period in which the market absorbed all of our products during the war years. Now again, we are facing a loss of markets for agricultural commodities.

My farmer neighbors are concerned with this problem. They want to farm with an assurance that their products will bring a fair return and full consumption. I feel that farmers want and have a right to expect income protection. I think consumers have a right to buy their food in a market as free as possible from speculation, middleman interference, and Government interference. Farmers will supply the food we need if they are given an opportunity to do so. They have proven this time and time again in cooperation with agricultural programs.

The Department of Agriculture has made a thorough study of farm production and prices and has pointed out the dangers threatening our rural economy. Members of the distinguished Committee on Agriculture have given full and complete study to these programs. We need only to consider some of the dangers ahead unless a realistic, equitable farm program is enacted. Take, for example, the corn-hog problem.

We are now expecting a huge 1949 corn crop—perhaps the second largest in our history. And it is coming right on the heels of a bumper crop in 1948. By October 1 we can expect a total supply of corn, including carry-over of 4,200,000,000 bushels as compared with 3,800,000,000 bushels last year.

Nothing is more certain than that this corn situation is going to have a tremendous effect on hog production. Last month a 9 percent increase in fall pigs was predicted. This month our experts say, it looks more like a 12 or 13 percent increase.

Iowa can furnish us with a perfect example of the problem we will be facing next fall. The June pig crop report issued at Des Moines shows a 16 percent increase in sows farrowed over the same period in 1948. This is 8 percent higher than the previous record year of 1943 for Iowa. Since it has been demonstrated that the fall pig crop bears nearly the same percentage increase as sows farrowed, we can expect an increase of 16 percent in fall pigs in Iowa. When hog prices start tumbling and our present program is unable to effectively insure support prices, what are the Iowa farmers going to say?

We are clearly facing an increase in the fall pig crop. Add to that the expected abnormal increase in spring pigs next year and we will face real trouble in supporting the price of hogs.

No one knows exactly what the surplus in hog production will be. One estimate is that it will be between one and two billion pounds live weight. The Government is definitely committed to support hog prices. Secretary Brannan has estimated that the support of 1,000,000,000 pounds of hogs by the purchase method, the only method now authorized by law, would cost approximately \$230,000,000. And that would be merely the cost of acquiring and storing the surplus.

Then what? The export possibilities for hogs next year are expected to drop far below the 180,000,000 pounds of dressed pork sold last year. Exports of pork are expected to drop to 100,000,000 pounds because of the declining foreign market due to dollar shortages. What is to be done with the rest of the surplus? It cannot be dumped on the domestic market without further depressing prices. That will call for more support purchases and larger unusable surpluses. Moreover, we are dealing with a highly perishable commodity. Hogs cannot be stored for more than 6 months under ideal conditions in refrigerated warehouses. Where are these warehouses?

Gentlemen, the continuation of the purchase system of hog support in the face of increased hog production may lead us straight to a kill-the-pigs program. Do any of us want that when workers need meat?

I do not mean to give the impression that the production payment method of supporting hog prices will be cheap. Nor do I know exactly what it will cost. But no one knows exactly how much it will cost under the present program. But it certainly seems more reasonable to suppose that the production-payment method, simply by eliminating transportation and disposal charges, will be a great deal cheaper. At the same time, it would increase the consumption of pork at home and give meat to the people who need it at prices they can pay for it.

It is very important, I think, not to make the mistake of applying a 1942 program to 1949 needs. The whole idea of the Steagall amendment in 1942 was to provide incentives for increased wartime production. The Steagall amendment served its purpose well, and farmers everywhere responded magnificently.

But in 1949 and 1950 we are faced with very different problems. Everything

points to agricultural surpluses and declining demand at home and abroad.

A modern farm problem demands a modern farm program. And that program must provide the fullest measure of protection for farm income. Generally speaking the last 8 years have been good years for the farmer. But let no one suppose that the farmer is rolling in wealth, or that he can live on his accumulated fat. As a matter of fact, although he worked heroically during the war years to prove that food could win the war, he was far less well paid for his efforts than nonfarm workers were. And even in 1946, one of the peak years of the postwar boom, more than half of the farm families of the United States had net cash incomes of less than \$1,250. In the South, the farm income picture was, and is, even worse. There, at the peak of boom, more than 70 percent of the farm families had less than \$1,250 net cash income. I submit that any farm program which does not take account of these facts would be an inadequate program.

We must maintain farm income at levels at least equal to, and if possible above, those of the past few years.

But we cannot do that merely by curtailing production—though I do believe that farmers will most enthusiastically support any sane program of controlling wasteful production. We have long since repudiated, I hope for all time, the economics of scarcity.

The production-payment method of income support seems to me to provide the best means of providing for the free flow of goods from farm to market, with the least possible interference with our free enterprise system, and with the best prospect for the absorption of surpluses by an increase in domestic consumption. It largely solves the problem of costly surplus disposal in the most advantageous and economic way possible. It gives every promise of avoiding the scandalous destruction of food wealth in order to maintain prices artificially.

Farmers lost markets because the Smoot-Hawley Tariff Act discriminated against them. Let us not lose markets because our own price-support programs discriminate against us. This would be disastrous to our national economy. We live in a world that is in dire need of agricultural products. Our farmers and workers need that market if we are to build a healthy America.

We cannot lose sight of the need of maintaining farm production. Good, sound conservation of our soil is an essential of a wise farm program. We need grass, legumes, and green manure crops. We need erosion control. We need to build up and restore the soil resources which suffered because of the need for large war crops. National prosperity depends upon natural resources, and the greatest of these is our soil. These are the things a sound farm program needs and it is a program that I will continue to work for.

The CHAIRMAN. All time has expired. The question is on the substitute amendment offered by the gentleman from Georgia [Mr. PACE].

Mr. GORE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GORE. Mr. Chairman, do I understand the parliamentary situation to be that the vote first will be upon the substitute amendment offered by the gentleman from Georgia [Mr. PACE], which is the committee bill with some modifications, in substitution for the bill which I have offered?

The CHAIRMAN. The Chair stated that the question now is on the substitute amendment offered by the gentleman from Georgia [Mr. PACE].

Mr. McCORMACK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PACE and Mr. GORE.

The Committee divided; and the tellers reported that there were—ayes 152, noes 222.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee, as amended.

The amendment as amended was agreed to.

PROGRAM FOR WEEK OF JULY 25, 1949

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word in order to ask the majority leader about the program for next week.

Mr. McCORMACK. I think it is very fitting that the gentleman do so at this time when such a large number of Members are present.

On Monday we will take up the poll-tax bill, H. R. 3199, under the operation of the 21-day rule.

For Tuesday, Wednesday, Thursday, and Friday, I have bracketed only two bills out with rules: H. R. 3829, to provide assistance to schools on account of war-incurred enrollments; and H. R. 29, rather interesting at this time, to provide parity for tung nuts and honey.

If rules are reported out on the following bills they will be called up for consideration: H. R. 1758, to amend the Natural Gas Act; and H. R. 5472, the rivers and harbors public works bill.

Conference reports, of course, will be in order at any time. If there is any further program it will be announced in due time next week.

AGRICULTURAL ACT OF 1949

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, pursuant to House Resolution 283 he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. The vote now is on the Gore amendment as amended by the Sutton amendment and other amendments?

The SPEAKER. On the amendment as reported to the House by the Committee of the Whole.

The question was taken; and there were—yeas 239, nays 170, not voting 23, as follows:

[Roll No. 132]

YEAS—239

Abbitt	Gavin	Miller, Nebr.
Abernethy	Gillette	Monroney
Allen, Calif.	Golden	Morton
Allen, Ill.	Goodwin	Murray, Tenn.
Allen, La.	Gore	Murray, Wis.
Andersen,	Gossett	Nelson
H. Carl	Graham	Nicholson
Anderson, Calif.	Grant	Nixon
Andresen,	Gregory	Norblad
August H.	Gross	Norrell
Andrews	Gwinn	O'Hara, Minn.
Angell	Hale	O'Konski
Arends	Hall	Passman
Auchincloss	Edwin Arthur	Patterson
Barden	Hall	Pfeiffer
Barrett, Wyo.	Leonard W.	William L.
Bates, Ky.	Halleck	Philbin
Bates, Mass.	Hand	Phillips, Calif.
Battle	Harden	Phillips, Tenn.
Beall	Hardy	Pickett
Bennett, Fla.	Hare	Plumley
Bennett, Mich.	Harrison	Potter
Bishop	Harvey	Poulson
Blackney	Hebert	Preston
Bland	Herlong	Rains
Boggs, Del.	Herter	Rankin
Bolton, Md.	Heselton	Reed, Ill.
Bolton, Ohio	Hill	Reed, N. Y.
Bonner	Hinshaw	Rees
Boykin	Hobbs	Regan
Bramblett	Hoeven	Rich
Brhm	Hoffman, Ill.	Richards
Brown, Ga.	Hoffman, Mich.	Riehlman
Brown, Ohio	Holmes	Rivers
Bryson	Hope	Rogers, Fla.
Burleson	Horan	Rogers, Mass.
Burton	Hull	Sadiak
Byrnes, Wis.	Jackson, Calif.	St. George
Camp	James	Sanborn
Canfield	Jenison	Sasser
Carlyle	Jenkins	Scott, Hardie
Case, N. J.	Jennings	Scott,
Case, S. Dak.	Jen-ens	Hugh D., Jr.
Chelf	Johnson	Serviner
Chipperfield	Jonas	Sudder
Church	Jones, Ala.	Secrest
Cole, Kans.	Jones, N. C.	Shafer
Cole, N. Y.	Judd	Short
Colmer	Kean	Simpson, Ill.
Cooper	Kearney	Simpson, Pa.
Corbett	Kearns	Smith, Kans.
Cotton	Keating	Smith, Va.
Coudert	Keefe	Smith, Wis.
Cox	Kerr	Stefan
Crawford	Kilburn	Stockman
Cunningham	Kilday	Ta'ber
Curtis	Kunkel	Talle
Dague	Larade	Taylor
Davis, Ga.	Latham	Tollerfson
Davis, Tenn.	LeCompte	Underwood
Davis, Wis.	LeFevre	Van Zandt
DeGraffenried	Lemke	Velde
D'Ewart	Lichtenwalter	Vinson
Dolliver	Lodge	Vorys
Dondero	Lovre	Vursell
Donchue	Lucas	Wadsworth
Doughton	McConnell	Weichel
Durham	McCulloch	Wheeler
Elliott	McDonough	Whitaker
Ellsworth	McMillan, S. C.	Whitten
Elston	McMillen, Ill.	Whittington
Engel, Mich.	Mack, Ill.	Wigglesworth
Engle, Calif.	Mack, Wash.	Williams
Evins	Macy	Wilson, Ind.
Fellows	Martin, Iowa	Wilson, Tex.
Fenton	Martin, Mass	Winstead
Ford	Mason	Withrow
Frazier	Morrow	Wolcott
Fugate	Meyer	Wolverton
Fulton	Michener	Wood
Gamble	Miles	Woodruff
Gary	Miller, Md.	

NAYS—170

Addonizio	Granger	O'Brien, Mich.
Albert	Green	O'Hara, Ill.
Aspinall	Hagen	O'Neill
Bailey	Harris	O'Sullivan
Baring	Hart	O'Toole
Barrett, Pa.	Havenner	Pace
Beckworth	Hays, Ohio	Patman
Bentsen	Hedrick	Patten
Biemiller	Heller	Perkins
Blatnik	Hollfield	Peterson
Boggs, La.	Howell	Poage
Bolling	Huber	Polk
Bosone	Irving	Price
Breen	Jackson, Wash.	Priest
Brooks	Jacobs	Quinn
Buchanan	Javits	Rabaut
Buckley, Ill.	Jones, Mo.	Ramsay
Burdick	Karst	Redden
Burke	Karsten	Rhodes
Burnside	Kee	Ribicoff
Byrne, N. Y.	Kelley	Rodino
Cannon	Keogh	Rooney
Carnahan	King	Sabath
Carroll	Kirwan	Sadowski
Cavalcante	Klein	Sheppard
Chesney	Kruse	Sikes
Christopher	Lane	Sims
Chudoff	Lanham	Smathers
Clemente	Lesinski	Spence
Combs	Lind	Steed
Cooley	Linchian	Stigler
Crook	Lyle	Sullivan
Crosser	Lynch	Sutton
Davenport	McCarthy	Tackett
Davies, N. Y.	McCormack	Tauriello
Dawson	McGrath	Teague
Deane	McGuire	Thomas, Tex.
Delaney	McKinnon	Thompson
Denton	McSweeney	Thornberry
Douglas	Madden	Trimble
Doyle	Magee	Wagner
Eberhartner	Mahon	Walsh
Fallon	Mansfield	Walter
Feighan	Marcantonio	Welch, Calif.
Fernandez	Marsalis	Welch, Mo.
Fisher	Marshall	White, Calif.
Flood	Miller, Calif.	White, Idaho
Fogarty	Mills	Wickersham
Forand	Mitchell	Wier
Furcolo	Morgan	Willis
Garmatz	Morris	Wilson, Okla.
Gathings	Moulder	Woodhouse
Gordon	Multer	Worley
Gorski, Ill.	Murdock	Yates
Gorski, N. Y.	Noland	Young
Granahan	Norton	Zablocki
	O'Brien, Ill.	

NOT VOTING—23

Buckley, N. Y.	Hays, Ark.	Powell
Bulwinkle	Heffernan	Roosevelt
Chatham	Kennedy	Smith, Ohio
Clevenger	McGregor	Staggers
Dingell	Morrison	Stanley
Dollinger	Murphy	Thomas, N. J.
Eaton	Pfeifer	Towe
Gilmer	Joseph L.	Werdel

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Towe for, with Mr. Murphy against.
Mr. McGregor for, with Mr. Kennedy against.

Mr. Gilmer for, with Mr. Hayes of Arkansas against.

Mr. Werdel for, with Mr. Dollinger against.
Mr. Stanley for, with Mr. Roosevelt against.
Mr. Eaton for, with Mr. Staggers against.

General pairs until further notice:

Mr. Morrison with Mr. Clevenger.

The result of the vote was announced as above recorded.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FULTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FULTON. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion. The Clerk read as follows:

Mr. FULTON moves to recommit the bill to the Committee on Agriculture for further study.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 25, not voting 24, as follows:

[Roll No. 133]

YEAS—383

Abbitt	Cooley	Hand
Abernethy	Cooper	Harden
Addonizio	Cotton	Hardy
Albert	Cox	Hare
Allen, Calif.	Crawford	Harris
Allen, Ill.	Crook	Harrison
Allen, La.	Crosser	Hart
Andersen,	Cunningham	Harvey
H. Carl	Curtis	Havenner
Anderson, Calif.	Dague	Hays, Ohio
Andresen,	Davenport	Hebert
August H.	Davis, Ga.	Hedrick
Andrews	Davis, Tenn.	Heller
Angell	Davis, Wis.	Herlong
Arends	Dawson	Herter
Aspinall	Deane	Heselton
Auchincloss	DeGraffenried	Hill
Bailey	Delaney	Hinshaw
Barden	Denton	Hobbs
Baring	D'Ewart	Hoeven
Barrett, Pa.	Dolliver	Hoffman, Ill.
Barrett, Wyo.	Dondero	Hoffman, Mich.
Bates, Ky.	Donohue	Hollfield
Bates, Mass.	Doughton	Holmes
Battle	Douglas	Hope
Beall	Doyle	Horan
Beckworth	Durham	Howell
Bennett, Fla.	Eberhartner	Huber
Bennett, Mich.	Elliott	Hull
Bentsen	Ellsworth	Irving
Biemiller	Elston	Jackson, Calif.
Bishop	Engel, Mich.	Jackson, Wash.
Blackney	Engle, Calif.	Jacobs
Bland	Evins	James
Boggs, Del.	Fallon	Jenison
Boggs, La.	Felgahan	Jenkins
Bolling	Fellows	Jennings
Bolton, Md.	Fenton	Jensen
Bolton, Ohio	Fernandez	Johnson
Bonner	Fisher	Jonas
Bosone	Flood	Jones, Ala.
Boykin	Fogarty	Jones, Mo.
Bramblett	Forand	Jones, N. C.
Breen	Ford	Karst
Brehm	Frazier	Karsten
Brooks	Fugate	Kearney
Brown, Ga.	Furcolo	Kearns
Brown, Ohio	Gamble	Keating
Bryson	Garmatz	Kee
Buchanan	Gary	Keefe
Buckley, Ill.	Gathings	Kelley
Burdick	Gavin	Keogh
Burleson	Gillette	Kerr
Burnside	Golden	Kilburn
Burton	Gordon	Kilday
Byrne, N. Y.	Gore	King
Byrnes, Wis.	Gorski, Ill.	Kirwan
Camp	Gorski, N. Y.	Klein
Cannon	Gossett	Kruse
Carlyle	Graham	Kunkel
Carnahan	Granahan	Lane
Carroll	Granger	Lanham
Case, S. Dak.	Grant	Larade
Cavalcante	Green	Latham
Chesney	Gregory	LeCompte
Chelf	Gross	LeFevre
Cheney	Gwinn	Lemke
Chipperfield	Hagen	Lesinski
Christopher	Hale	Lichtenwalter
Chudoff	Hall	Lind
Clemente	Edwin Arthur	Linehan
Cole, Kans.	Hall	Lodge
Colmer	Leonard W.	Lovre
Combs	Halleck	Lucas

Lyle	Patman	Smith, Va.
Lynch	Patten	Smith, Wis.
McConnell	Patterson	Spence
McCormack	Perkins	Steed
McCulloch	Peterson	Stefan
McDonough	Pfeiffer,	Stigler
McGrath	William L.	Stockman
McGuire	Philbin	Sullivan
McMillan, S. C.	Phillips, Calif.	Sutton
McMillen, Ill.	Phillips, Tenn.	Taber
McSweeney	Pickett	Tackett
Mack, Ill.	Plumley	Talle
Mack, Wash.	Poage	Taylor
Macy	Polk	Teague
Madden	Potter	Thomas, Tex.
Magee	Poulson	Thompson
Mahon	Preston	Thornberry
Mansfield	Price	Tollefson
Marcantonio	Priest	Trimble
Marsalis	Quinn	Underwood
Martin, Iowa	Rabaut	Van Zandt
Martin, Mass.	Rains	Velde
Morrow	Ramsay	Vinson
Meyer	Rankin	Vorys
Michener	Redden	Vursell
Miles	Reed, Ill.	Wadsworth
Miller, Calif.	Reed, N. Y.	Wagner
Miller, Md.	Rees	Walsh
Miller, Nebr.	Regan	Walter
Mills	Rhodes	Weichel
Mitchell	Richards	Welch, Mo.
Monroney	Riehlman	Wheeler
Morgan	Rivers	Whitaker
Morris	Rodino	White, Calif.
Morton	Rogers, Fla.	White, Idaho
Moulder	Rogers, Mass.	Whitten
Multer	Sadiak	Whittington
Murdock	Sadowski	Wickersham
Murray, Tenn.	St. George	Wier
Murray, Wis.	Sanborn	Wigglesworth
Nelson	Sasser	Williams
Nicholson	Scott, Hardie	Willis
Nixon	Scott,	Wilson, Ind.
Noland	Hugh D., Jr.	Wilson, Okla.
Norblad	Scrivner	Wilson, Tex.
Norrell	Scudder	Winstead
O'Brien, Ill.	Secrest	Withrow
O'Brien, Mich.	Shafer	Wolcott
O'Hara, Ill.	Sheppard	Wolverton
O'Hara, Minn.	Short	Wood
O'Konski	Sikes	Woodhouse
O'Neill	Simpson, Ill.	Woodruff
O'Sullivan	Simpson, Pa.	Worley
O'Toole	Sims	Young
Pace	Smathers	Zablocki
Passman	Smith, Kans.	

NAYS—25

Blatnik	Fulton	Ribicoff
Burke	Goodwin	Rich
Canfield	Javits	Rooney
Case, N. J.	Judd	Sabath
Church	Kean	Smith, Ohio
Cole, N. Y.	McCarthy	Tauriello
Corbett	Marshall	Yates
Coudert	Mason	
Davies, N. Y.	Norton	

NOT VOTING—24

Buckley, N. Y.	Heffernan	Roosevelt
Bulwinkle	Kennedy	Staggers
Chatham	McGregor	Stanley
Clevenger	McKinnon	Thomas, N. J.
Dingell	Morrison	Towe
Dollinger	Murphy	Welch, Calif.
Eaton	Pfeifer,	Werdell
Gilmer	Joseph L.	
Hays, Ark.	Powell	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Roosevelt with Mr. Towe.

Mr. Murphy with Mr. Eaton.

Mr. Morrison with Mr. McGregor.

Mr. Stanley with Mr. Werdell.

Mr. Hays of Arkansas with Mr. Welch of California.

Mr. McCARTHY changed his vote from "yea" to "nay."

Mr. BLATNIK changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISCRIMINATION IN USE OF TAX-SUPPORTED RECREATIONAL FACILITIES

Mr. HOFFMAN of Michigan. Many people believe that, if references, likes and dislikes, differences of opinion, growing out of physical or mental racial characteristics, can be eliminated, people as a whole will be much happier, make greater progress in every field of human endeavor.

At the Tower of Babel, about 2247 B. C., an effort was made to establish one language for all the people. Now, apparently some are making an effort to establish on earth one race, brought about by the intermingling and interbreeding of all races.

If the Lord wanted but one race, humans of but one color, perhaps he would have seen to it that the children of Adam and Eve, when they came out of the Garden, bred true to type and color.

He had another opportunity when Noah and his family came out of the Ark.

Little is to be gained by ignoring the fact, for it is a fact, that ever since Moses led the children of Israel out of Egypt—yes, and before that time—there have been conflicts between races—yes, and even between tribes or subdivisions of the same race.

Individuals and groups of one race from the beginning of time have had preferences for those who were members of the same race. They have, if you prefer, discriminated against members of other races.

We all, as individuals, exercise a preference when we select our social and business associates. It is absurd to deny this obvious fact; to attempt by legislation to eradicate this preference or, again if you prefer, this discrimination.

Perhaps the simplest form of preference or discrimination is that which moves every mother, whether human or animal, to have a preference for and to protect her young; always, in the case of some animals—sometimes, although infrequently in the case of humans—from the father.

Families usually stick together, discriminate against nonmembers of the family.

Towns, cities, and States, since the beginning of our history, have exercised a preference for their inhabitants; discriminated against nonresidents.

Yes, even today, if I want to fish in Maryland or Virginia, I must pay a fee over and above that charged the residents of those States. True, that fee is not imposed upon me because I am a member or a nonmember of a particular race, but it is imposed because I am a resident of another State, either the State of my origin or the State of my adoption.

It must be admitted that some Negroes—and where I grew up, they were known as colored people—prefer to associate with members of their own race. A similar feeling exists among some members of the white race.

As immigrants continued to come to this country, they settled, if possible,

near people of their own race or nationality who had preceded them. The Hollanders and the Germans settled in communities where they found individuals from their own land. The Swedes, the Norwegians, the Italians, the Irish, the Jews—in fact, those of every nation, every nationality, followed a like course of preference or discrimination.

After thousands of years of experience it would seem as though it might be assumed that individuals and members of a race will always have a preference for other individuals of their own race or creed or individuals who have similar habits or follow similar practices.

And so we get to the point where we must acknowledge that each and every one of us, either as individuals or as members of a race or group, has a preference, and so, as some would put it, discriminate against others.

Preference or discrimination being an existing characteristic of most of our people, it seems to be our duty to, insofar as we can, through education and legislation, attempt to minimize the unpleasantness, the strife, and the harmful results, caused not only by any unjust discrimination, but by the bitter feeling created by self-serving or even sincere but misguided advocates who, on so many occasions, take advantage of isolated instances of harmful discrimination.

Christians have long sought to minimize, to render less harmful, any evil growing out of such an apparent preference, with its resulting so-called discrimination.

Advocates and trouble makers, who are never happy unless creating discord, disunity, and lack of harmony, have always sometimes for their own advancement, financial or political; at other times, because the spirit of the devil seemed to be in them, capitalized on this inherent racial or religious feeling.

It is long past the time when we here in the Nation's Capital should attempt to do something practical to minimize, insofar as is possible, all discrimination in employment and in social intercourse, remembering, however, at all times that we cannot, by legislation nor by force, obliterate inherent human characteristics.

Whether we should, by legislation or by education, seek a common ground on which can be established an intermingling and interbreeding of all races on this earth and the establishment of a new universal race of men is not the issue I am proposing to consider. Nor do I assent in any way to Hitler's theory of a race of supermen, to be created through selective human breeding to attain a special purpose.

Accepting facts as they exist and as they are known to all, I am seeking a way so that everyone, no matter what his color or origin, may have equal opportunity; to, here in the District of Columbia, the seat of the National Government, create a situation which may act as a proving ground where we can test some of the theories, some of the plans, which look toward the end of discrimination which creates injustices.

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JUNE 2), 1949

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—1950 PRICE STABILIZATION

4 SECTION 1. Notwithstanding any other provision of
5 law, the Secretary of Agriculture is authorized and directed
6 through any instrumentality or agency within or under the
7 direction of the Department of Agriculture, by loans, pur-
8 chases, or other operations—

9 (a) To support prices received by producers of cotton,
10 wheat, corn, tobacco, rice, and peanuts marketed before
11 June 30, 1951 (September 30, 1951, in the case of Mary- ✓

1 land and the cigar-leaf types of tobacco), if producers have
2 not disapproved marketing quotas for such commodity for
3 the marketing year beginning in the calendar year in which
4 the crop is harvested. The price support authorized by this
5 subsection shall be made available as follows:

6 (1) To cooperators at the rate of 90 per centum
7 of the parity price for the commodity as of the begin-
8 ning of the marketing year;

9 (2) To noncooperators at the rate of 60 per centum
10 of the rate specified in (1) above and only on so much
11 of the commodity as would be subject to penalty if
12 marketed.

13 All provisions of law applicable with respect to loans under
14 the Agricultural Adjustment Act of 1938, as amended, shall,
15 insofar as they are consistent with the provisions of this
16 subsection, be applicable with respect to loans or other
17 price-support operations authorized under this subsection,
18 except that for the purpose of computing the parity price
19 for Maryland tobacco the base period shall be the period
20 August 1936 to July 1941 in lieu of the period August
21 1919 to July 1929.

22 (b) To support until January 1, 1951, a price to
23 producers of commodities with respect to which the Secre-
24 tary of Agriculture by public announcement pursuant to

1 the provisions of the Act of July 1, 1941, as amended,
2 requested an expansion of production of not less than 60
3 per centum of the parity or comparable price therefor nor
4 more than the level at which such commodity was supported
5 in 1948, except that milk and its products, hogs, chickens,
6 and eggs shall be supported at 90 per centum of the parity
7 or comparable price. The comparable price for any such
8 commodity shall be determined and used by the Secretary
9 for the purposes of this subsection if the production or con-
10 sumption of such commodity has so changed in extent or
11 character since the base period as to result in a price out
12 of line with parity prices for the commodities referred to
13 in (a) hereof. In carrying out the provisions of this sub-
14 section the Secretary of Agriculture shall have the authority
15 to require compliance with production goals and marketing
16 regulations as a condition to eligibility of producers for price
17 support.

18 (c) Price supports shall be made available to the pro-
19 ducers of cottonseed at levels not in excess of parity, taking
20 into account the price levels at which other commodities are
21 being supported.

22 (d) Sections 1 and 3 of the Act approved August 5,
23 1947 (Public Law 360, Eightieth Congress) are amended
24 by striking out in each section the date "June 30, 1950"

1 wherever it appears and inserting in lieu thereof the date
2 "June 30, 1951" and by adding a new section reading
3 as follows:

4 "SEC. 4. Mohair shall be supported at not in excess of
5 90 per centum of the parity price, taking into account the
6 price level at which wool is being supported."

7 (e) It is hereby declared to be the policy of the Con-
8 gress that the lending and purchase operations of the Depart-
9 ment of Agriculture (other than those referred to in subsec-
10 tions (a), (b), and (c) hereof) shall be carried out until
11 January 1, 1951, so as to bring the price and income of the
12 producers of other agricultural commodities not covered by
13 subsections (a), (b), and (c) to a fair parity relationship
14 with the commodities included under subsections (a), (b),
15 and (c), to the extent that funds for such operations are
16 available after taking into account the operations with re-
17 spect to the commodities covered by subsections (a), (b),
18 and (c). In carrying out the provisions of this subsection
19 the Secretary of Agriculture shall have the authority to
20 require compliance with production goals and marketing
21 regulations as a condition to eligibility of producers for price
22 support.

23 SEC. 2. From any funds available to the Department
24 of Agriculture or any agency operating under its direction
25 for price-support operations or for the disposal of agricultural

1 commodities, the Secretary of Agriculture is authorized and
2 directed to use such sums as may be necessary to carry out
3 the provisions of section 1 of this Act.

4 SEC. 3. Section 22 of the Agricultural Adjustment Act,
5 as added by section 31 of the Act of August 24, 1935 (49
6 Stat. 773), reenacted by section 1 of the Agricultural Mar-
7 keting Agreement Act of 1937 (50 Stat. 246), as amended,
8 is hereby amended to read as follows:

9 "SEC. 22. (a) Whenever the President has reason to
10 believe that any article or articles are being or are practically
11 certain to be imported into the United States under such
12 conditions and in such quantities as to render or tend to
13 render ineffective, or materially interfere with, any program
14 or operation undertaken under this title or the Soil Con-
15 servation and Domestic Allotment Act, as amended, or
16 section 32, Public Law Numbered 320, Seventy-fourth Con-
17 gress, approved August 24, 1935, as amended, or any loan,
18 purchase, or other program or operation undertaken by the
19 Department of Agriculture, or any agency operating under its
20 direction, with respect to any agricultural commodity or pro-
21 duct thereof, or to reduce substantially the amount of any
22 product processed in the United States from any agricultural
23 commodity or product thereof with respect to which any such
24 program or operation is being undertaken, he shall cause an

1 immediate investigation to be made by the United States
2 Tariff Commission, which shall give precedence to investiga-
3 tions under this section to determine such facts. Such in-
4 vestigation shall be made after due notice and opportunity for
5 hearing to interested parties, and shall be conducted subject
6 to such regulations as the President shall specify.

7 “(b) If, on the basis of such investigation and report
8 to him of findings and recommendations made in connection
9 therewith, the President finds the existence of such facts,
10 he shall by proclamation impose such fees not in excess of
11 50 per centum ad valorem or such quantitative limitations on
12 any article or articles which may be entered, or withdrawn
13 from warehouse, for consumption as he finds and declares
14 shown by such investigation to be necessary in order that
15 the entry of such article or articles will not render or tend
16 to render ineffective, or materially interfere with, any pro-
17 gram or operation referred to in subsection (a), of this sec-
18 tion, or reduce substantially the amount of any product
19 processed in the United States from any such agricultural
20 commodity or product thereof with respect to which any
21 such program or operation is being undertaken: *Provided*,
22 That no proclamation under this section shall impose any
23 limitation on the total quantity of any article or articles which
24 may be entered, or withdrawn from warehouse, for consump-
25 tion which reduces such permissible total quantity to propor-

tionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

“(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

“(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the

1 President whenever he finds and proclaims that changed
2 circumstances require such modification to carry out the
3 purposes of this section.

4 “(e) Any decision of the President as to facts under
5 this section shall be final.

6 “(f) No proclamation under this section shall be en-
7 forced in contravention of any treaty or other international
8 agreement to which the United States is or hereafter becomes
9 a party.”

10 SEC. 4. Section 8 (a), as amended, of the Soil Con-
11 servation and Domestic Allotment Act is amended (a) by
12 striking out “January 1, 1949” wherever appearing therein
13 and inserting in lieu thereof “January 1, 1951”, and (b)
14 by striking out “December 31, 1948” and inserting in lieu
15 thereof “December 31, 1950”.

16 SEC. 5. Notwithstanding any of the provisions of this
17 Act, the Act of July 28, 1945 (59 Stat. 506) shall continue
18 in effect.

19 SEC. 6. This title shall take effect on January 1, 1950,
20 except that sections 3 and 4 shall take effect on the date of
21 enactment of this Act.

1 SEC. 7. Titles II and III of the Agricultural Act of
2 1948 are repealed.

Passed the House of Representatives July 21, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST Session

H. R. 5345

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

JULY 22 (legislative day, JUNE 2), 1949

Read twice and referred to the Committee on
Agriculture and Forestry

H. R. 5345

IN THE SENATE OF THE UNITED STATES

AUGUST 19 (legislative day, JUNE 2), 1949

Referred to the Committee on Agriculture and Forestry and ordered to be
printed

AMENDMENT

Intended to be proposed by Mr. STENNIS to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz:

- 1 On page 3, line 19, after the word "cottonseed" insert
- 2 the following: "and tung nuts".

AMENDMENT

Intended to be proposed by Mr. STENNIS to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

August 19 (legislative day, June 2), 1949
Referred to the Committee on Agriculture and Forestry
and ordered to be printed

81ST CONGRESS
1ST SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

AUGUST 31 (legislative day, JUNE 2), 1949

Mr. ANDERSON introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To stabilize prices of agricultural commodities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Act of
4 1949".

5 TITLE I—BASIC AGRICULTURAL COMMODITIES

6 SEC. 101. The Secretary of Agriculture (hereinafter
7 called the "Secretary") is authorized and directed to make
8 available through loans, purchases, or other operations, price
9 support to cooperators for any crop of any basic agricul-
10 tural commodity, if producers have not disapproved mar-
11 keting quotas for such crop, at a level not in excess of 90
12 per centum of the parity price of the commodity nor less

- 1 than the level provided in subsections (a), (b), and (c) as
 2 follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102_____	90
More than 102 but not more than 104_____	89
More than 104 but not more than 106_____	88
More than 106 but not more than 108_____	87
More than 108 but not more than 110_____	86
More than 110 but not more than 112_____	85
More than 112 but not more than 114_____	84
More than 114 but not more than 116_____	83
More than 116 but not more than 118_____	82
More than 118 but not more than 120_____	81
More than 120 but not more than 122_____	80
More than 122 but not more than 124_____	79
More than 124 but not more than 126_____	78
More than 126 but not more than 128_____	77
More than 128 but not more than 130_____	76
More than 130_____	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 108_____	90
More than 108 but not more than 110_____	89
More than 110 but not more than 112_____	88
More than 112 but not more than 114_____	87
More than 114 but not more than 116_____	86
More than 116 but not more than 118_____	85
More than 118 but not more than 120_____	84
More than 120 but not more than 122_____	83
More than 122 but not more than 124_____	82
More than 124 but not more than 125_____	81
More than 125 but not more than 126_____	80
More than 126 but not more than 127_____	79
More than 127 but not more than 128_____	78
More than 128 but not more than 129_____	77
More than 129 but not more than 130_____	76
More than 130_____	75

- 3 (c) For tobacco, if marketing quotas are in effect, the
 4 level of support shall be 90 per centum of the parity price.

1 (d) Notwithstanding the foregoing provisions of this
2 section—

3 (1) the level of support to cooperators shall be 90
4 per centum of the parity price for a crop of any basic
5 agricultural commodity for which marketing quotas or
6 acreage allotments are in effect immediately following
7 a crop for which neither marketing quotas nor acreage
8 allotments were in effect;

9 (2) the level of price support to cooperators for
10 any crop of a basic agricultural commodity, except
11 tobacco, for which marketing quotas have been dis-
12 approved by producers shall be 50 per centum of the
13 parity price of such commodity; and no price support
14 shall be made available for any crop of tobacco for
15 which marketing quotas have been disapproved by
16 producers;

17 (3) the level of price support for corn to coop-
18 erators outside the commercial corn-producing area
19 shall be 75 per centum of the level of price support to
20 cooperators in the commercial corn-producing area;

21 (4) price support may be made available to non-
22 cooperators at such levels, not in excess of the level
23 of price support to cooperators, as the Secretary deter-

1 mines will facilitate the effective operation of the
2 program.

3 TITLE II—DESIGNATED NONBASIC AGRICUL-
4 TURAL COMMODITIES

5 SEC. 201. The Secretary is authorized and directed to
6 make available (without regard to the provisions of title
7 III) price support to producers for shorn wool, mohair,
8 tung nuts, Irish potatoes, milk, and butterfat as follows:

9 (a) The price of shorn wool shall be supported through
10 loans, purchases, or other operations at such level, not in
11 excess of 90 per centum nor less than 60 per centum of the
12 parity price therefor, as the Secretary determines necessary
13 in order to encourage an annual production of approximately
14 three hundred sixty million pounds of shorn wool;

15 (b) The price of mohair, tung nuts, and early, inter-
16 mediate, and late Irish potatoes, respectively, shall be sup-
17 ported through loans, purchases, or other operations at a level
18 not in excess of 90 per centum nor less than 60 per centum
19 of the parity price therefor;

20 (c) The price of whole milk and butterfat, respectively,

1 shall be supported at such level not in excess of 90 per centum
2 nor less than 75 per centum of the parity price therefor as
3 the Secretary determines necessary in order to assure an
4 adequate supply. Such price support shall be provided
5 through loans on, or purchases of, the products of such
6 commodities.

7 TITLE III—OTHER NONBASIC AGRICULTURAL
8 COMMODITIES

9 SEC. 301. The Secretary is authorized to make available
10 through loans, purchases, or other operations price support
11 to producers for any nonbasic agricultural commodity not
12 designated in title II at a level not in excess of 90 per
13 centum of the parity price for the commodity.

14 SEC. 302. Without restricting price support to those
15 commodities for which a marketing quota or marketing
16 agreement or order program is in effect, price support shall,
17 insofar as feasible, be made available to producers of any
18 storable nonbasic agricultural commodity for which such a
19 program is in effect and who are complying with such
20 program. The level of such support shall not be in excess

- 1 of 90 per centum of the parity price of such commodity
 2 nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

- 3 *Provided*, That the level of price support may be less
 4 than the minimum level provided in the foregoing table if
 5 the Secretary, after examination of the availability of funds
 6 for mandatory price support programs and consideration
 7 of the other factors specified in section 401 (b), determines
 8 that such lower level is desirable and proper.

9 TITLE IV—MISCELLANEOUS

10 SEC. 401. (a) The Secretary shall provide the price
 11 support authorized or required herein through the Com-
 12 modity Credit Corporation and other means available to him.

13 (b) Except as otherwise provided in this Act, the
 14 amounts, terms, and conditions of price support operations
 15 and the extent to which such operations are carried out,

1 shall be determined or approved by the Secretary. The
2 following factors shall be taken into consideration in deter-
3 mining, in the case of any commodity for which price
4 support is discretionary, whether a price support operation
5 shall be undertaken and the level of such support and, in
6 the case of any commodity for which price support is
7 mandatory, the level of support in excess of the minimum
8 level prescribed for such commodity: (1) the supply of the
9 commodity in relation to the demand therefor, (2) the
10 price levels at which other commodities are being supported
11 and, in the case of feed grains, the feed values of such
12 grains in relation to corn, (3) the availability of funds,
13 (4) the perishability of the commodity, (5) the importance
14 of the commodity to agriculture and the national economy,
15 (6) the ability to dispose of stocks acquired through a price
16 support operation, (7) the need for offsetting temporary
17 losses of export markets, and (8) the ability and willingness
18 of producers to keep supplies in line with demand.

19 (c) Compliance by the producer with acreage allot-
20 ments, production goals and marketing practices (including
21 marketing quotas when authorized by law), prescribed by
22 the Secretary, may be required as a condition of eligibility
23 for price support.

24 (d) The level of price support for any commodity shall
25 be determined upon the basis of its parity price as of the

1 beginning of the marketing year or season in the case of
2 any commodity marketed on a marketing year or season basis
3 and as of January 1 in the case of any other commodity.

4 SEC. 402. Notwithstanding any other provision of this
5 Act, price support at a level in excess of the maximum level
6 of price support otherwise prescribed in this Act may be
7 made available for any agricultural commodity if the Secre-
8 tary determines, after a public hearing of which reasonable
9 notice has been given, that price support at such increased
10 level is necessary in order to prevent or alleviate a shortage
11 in the supply of any agricultural commodity essential to the
12 national welfare or in order to increase or maintain the
13 production of any agricultural commodity in the interest of
14 national security. The Secretary's determination and the
15 record of the hearing shall be available to the public.

16 SEC. 403. Appropriate adjustments may be made in the
17 support price for any commodity for differences in grade,
18 type, staple, quality, location, and other factors. Such ad-
19 justments shall, so far as practicable, be made in such manner
20 that the average support price for such commodity will,
21 on the basis of the anticipated incidence of such factors, be
22 equal to the level of support determined as provided in this
23 Act. Middling seven-eighths inch cotton shall be the stand-
24 ard grade for purposes of parity and price support.

25 SEC. 404. The Secretary, in carrying out programs under

1 section 32 of Public Law Numbered 320, Seventy-fourth
2 Congress, approved August 24, 1935, as amended, and sec-
3 tion 6 of the National School Lunch Act, may utilize the
4 services and facilities of the Commodity Credit Corporation
5 (including but not limited to procurement by contract), and
6 make advance payments to it.

7 SEC. 405. No producer shall be personally liable for
8 any deficiency arising from the sale of the collateral securing
9 any loan made under authority of this Act unless such loan
10 was obtained through fraudulent representations by the pro-
11 ducer. This provision shall not, however, be construed to
12 prevent the Commodity Credit Corporation or the Secretary
13 from requiring producers to assume liability for deficiencies
14 in the grade, quality, or quantity of commodities stored on
15 the farm or delivered by them, for failure properly to care
16 for and preserve commodities, or for failure or refusal to de-
17 liver commodities in accordance with the requirements of
18 the program.

19 SEC. 406. Nothing in this Act shall prevent the an-
20 nouncement of the level of price support for any agricultural
21 commodity in advance of the beginning of the marketing
22 year or season (January 1 in the case of commodities not
23 marketed on a marketing year or season basis) if the level
24 of price support so announced does not exceed the estimated

1 maximum level of price support specified in this Act, based
2 upon the latest information and statistics available to the
3 Secretary when such level of price support is announced;
4 and the level of price support so announced shall not be
5 reduced if the maximum level of price support when deter-
6 mined, is less than the level so announced.

7 SEC. 407. The Commodity Credit Corporation may sell
8 any farm commodity owned or controlled by it at any price
9 not prohibited by this section. It shall not sell any such
10 commodity at less than the current support price for such
11 commodity, except that this restriction shall not apply to
12 (A) sales for new or byproduct uses; (B) sales of peanuts
13 and oilseeds for the extraction of oil; (C) sales for seed or
14 feed if such sales will not substantially impair any price-
15 support program; (D) sales of commodities which have
16 substantially deteriorated in quality or as to which
17 there is danger of loss or waste through deterioration or
18 spoilage; (E) sales for the purpose of establishing claims
19 arising out of contract or against persons who have com-
20 mitted fraud, misrepresentation, or other wrongful acts with
21 respect to the commodity; (F) sales for export; (G) sales
22 of wool and mohair; and (H) sales for other than primary
23 uses.

24 SEC. 408. For the purposes of this Act—

25 (a) A commodity shall be considered storable upon

1 determination by the Secretary that, in normal trade
2 practice, it is stored for substantial periods of time and
3 that it can be stored under the price-support program with-
4 out excessive loss through deterioration or spoilage or with-
5 out excessive cost for storage for such periods as will permit
6 its disposition without substantial impairment of the effec-
7 tiveness of the price-support program.

8 (b) A "cooperator" with respect to any basic agri-
9 cultural commodity shall be a producer on whose farm the
10 acreage planted to the commodity does not exceed the farm
11 acreage allotment for the commodity under title III of the
12 Agricultural Adjustment Act of 1938, as amended, or in the
13 case of price support for corn to a producer outside the com-
14 mercial corn-producing area, a producer who complies with
15 conditions of eligibility prescribed by the Secretary. For
16 the purpose of this subsection, a producer shall not be deemed
17 to have exceeded his farm acreage allotment unless such
18 producer knowingly exceeded such allotment.

19 (c) A "basic agricultural commodity" shall mean corn,
20 cotton, peanuts, rice, tobacco, and wheat, respectively.

21 (d) A "nonbasic agricultural commodity" shall mean
22 any agricultural commodity other than a basic agricultural
23 commodity.

24 (e) The "supply percentage" as to any commodity shall
25 be the percentage which the estimated total supply is of

1 the normal supply as determined by the Secretary from the
2 latest available statistics of the Department of Agriculture
3 as of the beginning of the marketing year for the commodity.

4 (f) "Total supply" of any nonbasic agricultural com-
5 modity for any marketing year shall be the carry-over at
6 the beginning of such marketing year, plus the estimated
7 production of the commodity in the United States during
8 the calendar year in which such marketing year begins
9 and the estimated imports of the commodity into the United
10 States during such marketing year.

11 (g) "Carry-over" of any nonbasic agricultural com-
12 modity for any marketing year shall be the quantity of the
13 commodity on hand in the United States at the beginning
14 of such marketing year, not including any part of the crop
15 or production of such commodity which was produced in the
16 United States during the calendar year then current. The
17 carry-over of any such commodity may also include the
18 quantity of such commodity in processed form on hand in
19 the United States at the beginning of such marketing year,
20 if the Secretary determines that the inclusion of such proc-
21 essed quantity of the commodity is necessary to effectuate
22 the purposes of this Act.

23 (h) "Normal supply" of any nonbasic agricultural com-
24 modity for any marketing year shall be (1) the estimated
25 domestic consumption of the commodity for the marketing

1 year for which such normal supply is being determined,
2 plus (2) the estimated exports of the commodity for such
3 marketing year, plus (3) an allowance for carry-over. The
4 allowance for carry-over shall be the average carry-over of
5 the commodity for the five marketing years immediately
6 preceding the marketing year in which such normal supply
7 is determined, adjusted for surpluses or deficiencies caused by
8 abnormal conditions, changes in marketing conditions, or
9 the operation of any agricultural program. In determining
10 normal supply, the Secretary shall make such adjustments
11 for current trends in consumption and for unusual conditions
12 as he may deem necessary.

13 (i) "Marketing year" for any nonbasic agricultural
14 commodity means any period determined by the Secretary
15 during which substantially all of a crop or production of
16 such commodity is normally marketed by the producers
17 thereof.

18 (j) Any term defined in the Agricultural Adjustment
19 Act of 1938 shall have the same meaning when used in
20 this Act.

21 SEC. 409. (a) Section 301 (a) (1) (B) of the Agri-
22 cultural Adjustment Act of 1938, as amended by the
23 Agricultural Act of 1948 (defining "adjusted base price"),
24 is amended by adding at the end thereof the following: "As
25 used in this subparagraph, the term 'prices' shall include

1 wartime subsidy payments made to producers under pro-
2 grams designed to maintain maximum prices established
3 under the Emergency Price Control Act of 1942.”

4 (b) Section 301 (a) (1) (C) of such Act, as so
5 amended (defining “parity index”), is amended (1) by
6 inserting after the word “buy” a comma and the following:
7 “wages paid hired farm labor”, and (2) by inserting after
8 “such prices” a comma and the word “wages”.

9 (c) Section 301 (b) (10) (A) of such Act, as so
10 amended (defining “normal supply”), is amended by strik-
11 ing out “7 per centum in the case of corn” and inserting in
12 lieu thereof “10 per centum in the case of corn”.

13 SEC. 410. Section 4 of the Act of March 8, 1938, as
14 amended (15 U. S. C., 1946 edition, 713a-4), is amended
15 by substituting a colon for the period at the end of the
16 next to the last sentence thereof and adding the following:
17 “*Provided*, That the foregoing shall not limit the authority
18 of the Corporation to issue obligations for the purpose of
19 carrying out its annual budget programs submitted to and
20 approved by the Congress pursuant to the Government Cor-
21 poration Control Act (31 U. S. C., 1946 edition, sec. 841).”

22 SEC. 411. Section 32, as amended, of the Act entitled
23 “An Act to amend the Agricultural Adjustment Act, and
24 for other purposes”, approved August 24, 1935 (U. S. C.,
25 title 7, sec. 612c), is amended by inserting before the last

1 sentence thereof the following: "The sums appropriated
2 under this section shall be devoted principally to perishable
3 nonbasic agricultural commodities (other than those desig-
4 nated in title II of the Agricultural Act of 1949) and their
5 products."

6 SEC. 412. The President shall appoint, by and with
7 the advice and consent of the Senate, an Assistant Secretary
8 of Agriculture in Charge of Sales Operations. It shall be
9 the duty of such Assistant Secretary, subject to the super-
10 vision and direction of the Secretary, to plan and carry out,
11 through the Production and Marketing Administration, the
12 Commodity Credit Corporation, and other agencies within
13 the Department of Agriculture, programs for marketing
14 and otherwise disposing of agricultural commodities and
15 products acquired through price support and other activi-
16 ties of the Department. In planning and carrying out
17 such programs such Assistant Secretary shall strive to
18 make such commodities and products available for pur-
19 chase in areas of the country in which they are in
20 short supply and in which prices for such commodi-
21 ties and products are above support levels. Such As-
22 sistant Secretary shall, ex officio, be one of the directors of
23 the Commodity Credit Corporation provided for by law.
24 Programs affecting the disposition of property of the Com-
25 modity Credit Corporation shall be subject to the approval

1 of its board of directors and the Secretary. Such Assistant
2 Secretary shall be compensated at the same rate as the
3 other Assistant Secretary of the Department of Agriculture,
4 and shall perform such additional functions as the Secretary
5 may assign.

6 SEC. 413. Determinations made by the Secretary under
7 this Act shall be final and conclusive.

8 SEC. 414. This Act shall not be effective with respect to
9 price support operations for any agricultural commodity for
10 any marketing year or season commencing prior to January
11 1, 1950, except to the extent that the Secretary of Agricul-
12 ture shall, without reducing price support theretofore under-
13 taken or announced, elect to apply the provisions of this Act.

14 SEC. 415. Section 302 of the Agricultural Adjustment
15 Act of 1938, as amended, and any provision of law in con-
16 flict with the provisions of this Act are hereby repealed.

A BILL

To stabilize prices of agricultural commodities.

By Mr. ANDERSON

August 31 (legislative day, June 2), 1949
Read twice and referred to the Committee on
Agriculture and Forestry



AGRICULTURAL ACT OF 1949

SEPTEMBER 20 (legislative day, SEPTEMBER 3), 1949.—Ordered to be printed

Mr. ANDERSON, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 2522]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2522) to stabilize prices of agricultural commodities, having considered same, report thereon with a recommendation that it do pass without amendment.

STATEMENT

During the past decade, price supports for agricultural commodities have played important and varying roles in the economy of the country. Prior to World War II the major purpose of the program was to support and maintain the purchasing power of the farmer at a level which would allow agriculture to play its proper part in a stable economy. During the war the price support program was used successfully as a national defense measure by encouraging increased production of food and fiber vitally needed by ourselves and our allies. Price supports which were incentives for production became an established principle in our wartime program.

The program developed during the last war was originally planned to terminate 2 years after the official end of hostilities as declared by either the President or the Congress. Accordingly, the year 1948 became the last year in which such supports were to be maintained at such levels but action of the Eightieth Congress extended the program with slight modifications through 1949. Your committee believes it is imperative that the program be placed on a permanent, peacetime basis beginning in 1950 principally because the extraordinary demands for American agricultural production during the war period have largely ceased to exist.

The operation of the price support program developed by the Agricultural Adjustment Act of 1938 is a sound basis upon which to build our future program. While the range of support levels from 52 to 75 percent of parity for the basic commodities contained in that act is

much too low for effective use now, the flexibility of support levels and the coordination of price supports with production controls remain essential in the view of your committee.

The bill (S. 2522) amends and supplements the Agricultural Adjustment Act of 1938 as amended by the Agricultural Act of 1948. The committee believes the changes provided in this legislation will improve existing law both through clarification and through increased support of our agricultural economy.

ANALYSIS OF BILL

The bill classifies agricultural commodities into four main groups for purposes of price support; namely, the basic commodities, special commodities, storable nonbasic commodities and other nonbasic commodities.

BASIC COMMODITIES

Mandatory price supports are provided to cooperators for the basic commodities corn, wheat, cotton, tobacco, rice, and peanuts at between 90 and 75 percent of modernized parity including hired labor. The maximum level is 90 percent and the minimum level will be determined from a sliding scale on the basis of the applicable "supply percentage." The minimum levels will vary from 90 to 75 percent of parity as the supply varies from less than 102 (108 in the case of cotton and peanuts) to more than 130 percent of normal.

Two exceptions to the above provisions are contained in the bill. Price support for tobacco is mandatory at 90 percent of parity whenever marketing quotas are in effect, and price support for any basic commodity is mandatory at 90 percent whenever marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect. While the provision for 90 percent of parity supports for tobacco whenever marketing quotas are in effect is the same as in existing law, the requirement that price supports for any basic commodity will be at 90 percent whenever production controls go into effect after the lapse of a year represents a change in the program to go into effect in 1950. Whenever acreage allotments or marketing quotas are put into effect, the farmer faces a loss in income through decreased production even though the price of the commodity is maintained at a reasonable level. To offset the possibility of drastic reductions in farmers' income, the committee recommends that the support price be mandatory at 90 percent for the first year of such acreage controls.

The system of flexible price supports varying from 90 to 75 percent of parity provided in the bill would change the provisions of the Agricultural Act of 1948 which otherwise would go into effect in 1950. The 1948 act would provide price supports for the basic commodities at from 90 to 60 percent of modernized parity (not including hired labor), the minimum varying within such limits as the supply varied from 70 to 130 percent of normal supply. However, under the terms of that act, the minimum support level would be increased by 20 percent whenever marketing quotas or acreage allotments were in effect.

S. 2522 provides, as does the 1948 act, that whenever marketing quotas are disapproved by producers for any crop, the price-support level for such crop will be 50 percent of parity. It changes present

legislation, however, by providing that in the case of tobacco, no price support shall be given upon such disapproval of marketing quotas.

SPECIAL COMMODITIES

Beginning in 1950 present legislation provides permanent mandatory price supports between 60 and 90 percent of parity for shorn wool and Irish potatoes. Section 201 of the bill provides that the prices of mohair and tung nuts will also be supported at between 60 and 90 percent of parity and the prices of milk and butterfat between 75 and 90 percent. The prices of milk and butterfat are to be supported only through loans on, and purchases of their products.

STORABLE NONBASIC COMMODITIES

Section 302 provides that price support shall be made available for storable nonbasic agricultural commodities for which a marketing quota or marketing agreement or order program is in effect at between 75 and 90 percent of parity. A storable nonbasic commodity is defined as one which, in normal trade practices, is stored for substantial periods of time and can be stored under a price support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program. While the Secretary of Agriculture is given the authority to support such commodities at levels lower than 75 percent of parity when production controls are in effect, it is the intent of the legislation that the 75 to 90 percent range be maintained. The provision does not, however, preclude storable nonbasics for which no control program is in effect from receiving price support.

OTHER NONBASIC COMMODITIES

All other nonbasic agricultural commodities may be supported at levels up to but not in excess of 90 percent of parity. This provision is also contained in the Agricultural Act of 1948 which extended the same discretionary price-support range to the storable nonbasics.

DETERMINATION OF SUPPORT LEVELS

Except under certain conditions noted above, the determination of the actual support level for both the basic and nonbasic commodities between the ranges provided is to be made by the Secretary of Agriculture. In the case of any commodity for which price support is discretionary, the determination as to whether a price support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the determination as to the level of support in excess of the minimum level prescribed for such commodity, are to be made after consideration of the following factors:

1. The supply of the commodity in relation to the demand therefor.
2. The price levels at which other commodities are being supported, and in the case of feed grains, the feed values of such grains in relation to corn.

3. The availability of funds.
4. The perishability of the commodity.
5. The importance of the commodity to agriculture and the national economy.
6. The ability to dispose of stocks acquired through a price-support operation.
7. The need for offsetting temporary losses of export markets.
8. The ability and willingness of producers to keep supplies in line with demand.

These factors are substantially the same as contained in the 1948 act, the main exception being the addition of the reference to feed values of feed grains in relation to corn.

Present legislation provides that in 1950 or thereafter, price support for any commodity may be in excess of 90 percent of parity whenever it is determined after a public hearing that such support is necessary in the interest of national security. Section 402 provides in addition that support may exceed 90 percent in order to prevent or alleviate a shortage in the supply of any commodity essential to the national welfare.

CHANGES IN THE PARITY FORMULA

S. 2522 continues the provision of the Agricultural Act of 1948 for a modernized parity formula to become effective in 1950. However, section 409 (b) provides for the inclusion of wages paid hired farm labor in the parity index used in determining parity prices. At present, the parity index measures the increase or decrease of prices paid by farmers, interest, and taxes. Wages paid for labor is a necessary and often extensive item of expenditure on the part of farmers and, accordingly, your committee believes it should be added to the other items taken into consideration in the parity index in order to reflect the proper increase or decrease in the cost of materials and services which farmers buy.

Section 409 (a) also amends the parity formula by providing that wartime subsidy payments made to producers under the Emergency Price Control Act of 1942 shall be taken into consideration in determining parity prices. This specific provision does not preclude the Department of Agriculture, in determining parity prices, from including the conditional payments made to producers under the sugar acts, which represent returns to producers in the moving 10-year base period comparable in price effect to the payments specifically referred to in section 409 (a).

METHODS AND PREREQUISITES OF PRICE SUPPORT

S. 2522 provides that all price support shall be made available to cooperators through the present system of loans, purchases, and other operations. The provision of the Agricultural Act of 1948 for the limited use of production payments is repealed. Compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when authorized by law) may be required as a condition of eligibility for price support, as was provided in the 1948 act.

MISCELLANEOUS PROVISIONS

Section 407 provides that the Commodity Credit Corporation may not sell any agricultural commodity acquired by it through a price-support program at less than the current support price for such commodity. The Agricultural Act of 1948 provided that such commodities could not be sold at less than the lowest of (1) the amount invested in the commodity, (2) a price half-way between the support price, if any, and the parity price, or (3) 90 percent of parity. The bill lists in section 407 eight exceptions to the restriction on sales, which are similar to those contained in the 1948 act.

Successful farming requires long-range planning and in order to synchronize the price support program with that practice, section 406 provides that the level of price support may be announced in advance of the marketing year for any commodity. The announced level cannot be reduced if it is later determined that such level is above the maximum level otherwise permitted. The committee believes this procedure will enable farmers to plan their production on a sounder basis than otherwise would be possible.

Section 32 funds, which represent 30 percent of the gross receipts from duties collected under the customs laws, have heretofore been used for the encouragement of exportation and new uses of all farm products. The use of these funds with respect to perishable agricultural commodities is particularly helpful in view of the limitations necessarily imposed on a price support program for such commodities. Therefore, section 411 provides that section 32 funds shall be devoted principally to perishable commodities, other than those for which mandatory price supports are provided.

At present the Commodity Credit Corporation cannot issue obligations in excess of its assets. Due to the tremendous increase in the scope of the price-support program, there is every possibility that immediate losses will deplete the capital stock and available funds to the point where the Corporation will be unable to carry out programs directed by law because of this restriction. Section 410 would permit the Corporation to borrow in excess of its assets but this provision does not allow the Corporation to issue obligations in excess of \$4,750,000,000. Proper budgetary control by the Congress would be continued under the provisions of the Government Corporation Control Act.

ASSISTANT SECRETARY OF AGRICULTURE

The volume and complexity of operation of the price-support program have increased greatly in the last few years. As a result, the Government often finds itself the owner of considerable stocks of agricultural commodities. It is imperative that these stocks be handled efficiently, especially in their disposition. In order to meet this requirement, section 412 provides for the appointment of an additional Assistant Secretary of Agriculture in Charge of Sales Operations. His prescribed duties shall be the planning and carrying out of programs for marketing and otherwise disposing of agricultural commodities and products acquired through price-support operations.

STATEMENT OF THE SECRETARY

Prior to the introduction of S. 2522 and its final consideration by the committee, the recommendations and comments of Secretary of Agriculture Charles F. Brannan were requested on this legislation. A copy of his letter, dated August 12, 1949, is attached hereto and made a part of this report.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 12, 1949.

Hon. CLINTON P. ANDERSON,
*Chairman, Subcommittee of the Senate,
Committee on Agriculture and Forestry.*

DEAR SENATOR ANDERSON: When I appeared before your subcommittee of the Senate Committee on Agriculture and Forestry last Saturday, August 6, it was agreed that I should submit, in writing, my views with respect to the subcommittee's recommended price support bill. Since that time there have been several revised prints of these recommendations, and I now have before me a committee print, dated August 12, which I am advised constitutes the proposal of the subcommittee to the whole committee. My comments, therefore, are directed to the print of August 12.

I am gratified to note that you have incorporated many of the suggestions made during our discussions with the subcommittee last Saturday, but I find it necessary to advise you that I believe the measure still fails to provide adequate and comprehensive price support authorities which would equip the Department of Agriculture to deal with the production and distribution problems with which this Nation is being confronted with ever increasing intensity.

The general level of support in the proposed bill has been increased over that provided in the Agricultural Act of 1948 by the addition of the item of hired labor into the parity formula. During times of high farm wages this will have a tendency to raise the support level by about 6 percent. However, it must be remembered that if this item had been included in the formula during periods of comparatively low wage rates, the effect would have been to reduce the support level.

The proposed bill, in addition, raised the mandatory support level for basic commodities by 15 percentage points over those levels provided in the Agricultural Act of 1948 when acreage allotments or marketing quotas are not in effect. The main effect of the changes in the schedules between the proposed bill and the Agricultural Act of 1938 is to raise the minimum support level by three percentage points when acreage allotments or marketing quotas are in effect.

Assuming that acreage allotments or marketing quotas will be in effect during 1950, subparagraph (d) of section 101 in effect requires support of the 1950 crops of corn, cotton, wheat, and rice at 90 percent of parity. The 1950 crops of tobacco and peanuts will also be at 90 percent of parity by reason of other provisions.

A dollar-and-cents comparison between the support levels thus provided for these commodities under titles I and II of the Agricultural Act of 1948, the Gore bill, the proposed bill and the income support standard recommended by the Department has been supplied you.

The proposed bill also, and in my opinion properly so, very materially contracts the area of so-called flexibility and rejects for 1950 the philosophy that price reductions are an effective means of reducing agricultural production. For years after 1950 the philosophy has been substantially curbed. The principal is not, of course, in effect for tobacco, which is given support at 90 percent of parity when quotas are in effect.

However, the proposed bill provides no mandatory minimal level of support for important livestock and poultry products. I have recommended that the Congress establish by law a mandatory minimum level of support for these commodities, among the others, which contribute importantly to farmers' income and play a large part in consumer expenditures. They should be included with milk and butterfat in the list of commodities to receive first call on available funds.

Moreover, the permissive maximum support for all the more important commodities and the mandatory minimum support levels for the basic commodities and for dairy products are, in my opinion, still too low. They would allow farmers' income to fall further than the best interests of farmers and the general public can afford.

While I feel that it would be preferable to work toward an income objective more directly by including farmers' purchasing power in an income support standard or parity price formula, I do feel that it is better partially to attain the objective than not to make any progress toward it at all.

I am also gratified to note that section 402 of your proposed bill indicates that your subcommittee has accepted the principle of increasing price supports above 90 percent as incentives for increased production to prevent or alleviate a shortage in supply of a commodity essential to public welfare.

While I had not recommended them for preferential treatment, I see no objection to your including peanuts, rice, and wool in a category to receive mandatory price support. Irish potatoes should receive mandatory price support only in the event that additional legislation is enacted affording producers the mechanism of acreage allotments and marketing quotas in order to keep supplies in line with demand as well as to limit the Government's expenditures to reasonable levels. Tung nuts do not qualify on any sound basis for mandatory price support.

The authority provided to the Secretary to vary the price-support levels for nondesignated nonbasic commodities is a desirable feature of the proposed bill. If the bill had placed the important poultry and livestock products in the category of either basic or designated nonbasic commodities to be provided mandatory minimum supports at adequate levels, I would then have been in full accord with the support level provisions of section 301 of title III and section 401 of title IV.

It is to be hoped that sufficient funds would at all times be available, after providing for the mandatory supports on your list of basic and designated nonbasic commodities, to provide an adequate level of support for the important livestock and poultry products.

The sliding scale of minimum supports set forth in section 302 of title III performs no necessary function, since the factors listed in section 401 (b) would govern in determining whether the level of price support would be fixed above or below the minimum levels prescribed in the schedule in section 302. This schedule does little more than unduly complicate the bill without making any specific contribution. We recommend its deletion.

A particularly undesirable feature of the bill is its failure to provide any effective and efficient method of support for perishable commodities. A corollary weakness is that provision is not made to allow the benefits of our abundant production of the important protective foods, which are perishable, to reach our consumers through the normal channels of trade. I refer, of course, to the complete lack of authority in the bill for the use of production payments or the provision of any substitute device to accomplish this very desirable end.

Purchase programs force the Government to become a large factor in the market, both in the buying and selling of commodities, yet many sales cannot be made back into the trade without breaking the market. One alternative has been to dispose of the supply in foreign outlets, but with postwar restoration of foreign agricultural production and the dollar tightening situation, this means taking more severe losses. For other commodities, such as potatoes, this outlet is not even available and they must be used for livestock feed, left to rot, or otherwise wasted. In perishable commodities, the costs of refrigeration, storage, transporting and handling is a heavy burden on the Treasury.

Moreover, the use of production payments for this purpose would allow the full production of these commodities to flow through regular channels of trade to our consumers who want and need the greater abundance of these foods for improved diets. A support program restricted to Government purchases of these important foods simply does not give our taxpayers their money's worth. If Government purchases are used, the consumer must also pay the cost of the programs for a second time in higher prices at the grocery store.

I am pleased to note that your subcommittee accepts in subsection 401 (c) the principle that producers have the responsibility to bring supplies in line with demand as a requirement for eligibility for price support. However, your bill does not make marketing quotas available to producers for storable nonbasic commodities. It will be impossible to operate a sound price-support program on many commodities without marketing quotas or an equivalent method of bringing supplies in line with demand, as well as preventing noncooperating farmers from taking advantage of adjustments made by cooperating farmers.

Consistent with this principle is another that no price support at all should be made available in those cases where producers, by disapproving marketing quotas, are unwilling to keep supplies in balance with genuine demand. The proposed bill contains the latter principle with respect to tobacco; I recommend

that the principle be extended to all other commodities for which marketing quotas are authorized by law.

I have no objection to the language of sections 403, 404, and 405 of title IV and note with favor that your subcommittee has approved, in the language of section 406, the Department's recommendation for authority to make firm announcements of future price-support levels in advance of planting and breeding periods. This is an important principle and I heartily favor its inclusion in our price-support legislation.

I am in general accord with the provisions of section 407 governing the prices at which the Commodity Credit Corporation may sell farm commodities. I am particularly glad that the restrictive provisions in earlier prints have been eliminated.

I also favor the provision for an additional Assistant Secretary of Agriculture. As you know, this is in accord with previous recommendations of the Department. This recommendation was also made by the Committee on Reorganization of the Executive Branch. However, I do not believe that the creation of any new office or staff within the Department of Agriculture or elsewhere is the solution to the production and distribution problems with which the Department is confronted. In my opinion, the most effective program that can be devised will be one which will require the Government to take possession of minimum amounts of agricultural commodities beyond the quantities necessary to stabilize supply against the national emergency and unfavorable weather conditions. A program which places upon the Federal Government the obligation to take large quantities of agricultural supplies and merchandise them in the domestic and world market are fraught with much danger and difficulty and can only lead to undesirable interference with the normal business pattern. Furthermore, based upon the experience of the Department in handling the commodities which have come into its possession in the past, we are firmly of the opinion that these persons charged with the programs through and by means of which certain commodities come into the possession and control of the Government should also be responsible for the disposal of those commodities.

The provisions of section 413 are necessary to assure that the Commodity Credit Corporation's borrowing authority will be fully available to carry out price-support programs.

I have indicated in the foregoing a belief in the inadequacy of the proposed bill to meet the highly complex and difficult problems with which the Department will be faced in the coming years. Nevertheless, I wish to assure the Congress that once this or any modification or variation of this bill becomes law, every possible effort of the Department will be exerted, without reservation, to make it work as successfully and effectively as possible.

Sincerely,

CHARLES F. BRANNAN, *Secretary*.

○

S. 2522

[Report No. 1091]

IN THE SENATE OF THE UNITED STATES

AUGUST 31 (legislative day, JUNE 2), 1949

Mr. ANDERSON introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

SEPTEMBER 20 (legislative day, SEPTEMBER 3), 1949

Reported by Mr. ANDERSON, without amendment

A BILL

To stabilize prices of agricultural commodities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Act of
4 1949".

5 **TITLE I—BASIC AGRICULTURAL COMMODITIES**

6 SEC. 101. The Secretary of Agriculture (hereinafter
7 called the "Secretary") is authorized and directed to make
8 available through loans, purchases, or other operations, price
9 support to cooperators for any crop of any basic agricul-
10 tural commodity, if producers have not disapproved mar-
11 keting quotas for such crop, at a level not in excess of 90
12 per centum of the parity price of the commodity nor less

- 1 than the level provided in subsections (a), (b), and (c) as
 2 follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 108-----	90
More than 108 but not more than 110-----	89
More than 110 but not more than 112-----	88
More than 112 but not more than 114-----	87
More than 114 but not more than 116-----	86
More than 116 but not more than 118-----	85
More than 118 but not more than 120-----	84
More than 120 but not more than 122-----	83
More than 122 but not more than 124-----	82
More than 124 but not more than 125-----	81
More than 125 but not more than 126-----	80
More than 126 but not more than 127-----	79
More than 127 but not more than 128-----	78
More than 128 but not more than 129-----	77
More than 129 but not more than 130-----	76
More than 130-----	75

- 3 (c) For tobacco, if marketing quotas are in effect, the
 4 level of support shall be 90 per centum of the parity price.

1 (d) Notwithstanding the foregoing provisions of this
2 section—

3 (1) the level of support to cooperators shall be 90
4 per centum of the parity price for a crop of any basic
5 agricultural commodity for which marketing quotas or
6 acreage allotments are in effect immediately following
7 a crop for which neither marketing quotas nor acreage
8 allotments were in effect;

9 (2) the level of price support to cooperators for
10 any crop of a basic agricultural commodity, except
11 tobacco, for which marketing quotas have been dis-
12 approved by producers shall be 50 per centum of the
13 parity price of such commodity; and no price support
14 shall be made available for any crop of tobacco for
15 which marketing quotas have been disapproved by
16 producers;

17 (3) the level of price support for corn to coop-
18 erators outside the commercial corn-producing area
19 shall be 75 per centum of the level of price support to
20 cooperators in the commercial corn-producing area;

21 (4) price support may be made available to non-
22 cooperators at such levels, not in excess of the level
23 of price support to cooperators, as the Secretary deter-

1 mines will facilitate the effective operation of the
2 program.

3 TITLE II—DESIGNATED NONBASIC AGRICUL-
4 TURAL COMMODITIES

5 SEC. 201. The Secretary is authorized and directed to
6 make available (without regard to the provisions of title
7 III) price support to producers for shorn wool, mohair,
8 tung nuts, Irish potatoes, milk, and butterfat as follows:

(a) The price of shorn wool shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of mohair, tung nuts, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

20 (c) The price of whole milk and butterfat, respectively,

1 shall be supported at such level not in excess of 90 per centum
2 nor less than 75 per centum of the parity price therefor as
3 the Secretary determines necessary in order to assure an
4 adequate supply. Such price support shall be provided
5 through loans on, or purchases of, the products of such
6 commodities.

7 TITLE III—OTHER NONBASIC AGRICULTURAL
8 COMMODITIES

9 SEC. 301. The Secretary is authorized to make available
10 through loans, purchases, or other operations price support
11 to producers for any nonbasic agricultural commodity not
12 designated in title II at a level not in excess of 90 per
13 centum of the parity price for the commodity.

14 SEC. 302. Without restricting price support to those
15 commodities for which a marketing quota or marketing
16 agreement or order program is in effect, price support shall,
17 insofar as feasible, be made available to producers of any
18 storable nonbasic agricultural commodity for which such a
19 program is in effect and who are complying with such
20 program. The level of such support shall not be in excess

- 1 of 90 per centum of the parity price of such commodity
 2 nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

- 3 *Provided*, That the level of price support may be less
 4 than the minimum level provided in the foregoing table if
 5 the Secretary, after examination of the availability of funds
 6 for mandatory price support programs and consideration
 7 of the other factors specified in section 401 (b), determines
 8 that such lower level is desirable and proper.

9 TITLE IV—MISCELLANEOUS

10 SEC. 401. (a) The Secretary shall provide the price
 11 support authorized or required herein through the Com-
 12 modity Credit Corporation and other means available to him.

13 (b) Except as otherwise provided in this Act, the
 14 amounts, terms, and conditions of price support operations
 15 and the extent to which such operations are carried out,

1 shall be determined or approved by the Secretary. The
2 following factors shall be taken into consideration in deter-
3 mining, in the case of any commodity for which price
4 support is discretionary, whether a price support operation
5 shall be undertaken and the level of such support and, in
6 the case of any commodity for which price support is
7 mandatory, the level of support in excess of the minimum
8 level prescribed for such commodity: (1) the supply of the
9 commodity in relation to the demand therefor, (2) the
10 price levels at which other commodities are being supported
11 and, in the case of feed grains, the feed values of such
12 grains in relation to corn, (3) the availability of funds,
13 (4) the perishability of the commodity, (5) the importance
14 of the commodity to agriculture and the national economy,
15 (6) the ability to dispose of stocks acquired through a price
16 support operation, (7) the need for offsetting temporary
17 losses of export markets, and (8) the ability and willingness
18 of producers to keep supplies in line with demand.

19 (c) Compliance by the producer with acreage allot-
20 ments, production goals and marketing practices (including
21 marketing quotas when authorized by law), prescribed by
22 the Secretary, may be required as a condition of eligibility
23 for price support.

24 (d) The level of price support for any commodity shall
25 be determined upon the basis of its parity price as of the

1 beginning of the marketing year or season in the case of
2 any commodity marketed on a marketing year or season basis
3 and as of January 1 in the case of any other commodity.

4 SEC. 402. Notwithstanding any other provision of this
5 Act, price support at a level in excess of the maximum level
6 of price support otherwise prescribed in this Act may be
7 made available for any agricultural commodity if the Secre-
8 tary determines, after a public hearing of which reasonable
9 notice has been given, that price support at such increased
10 level is necessary in order to prevent or alleviate a shortage
11 in the supply of any agricultural commodity essential to the
12 national welfare or in order to increase or maintain the
13 production of any agricultural commodity in the interest of
14 national security. The Secretary's determination and the
15 record of the hearing shall be available to the public.

16 SEC. 403. Appropriate adjustments may be made in the
17 support price for any commodity for differences in grade,
18 type, staple, quality, location, and other factors. Such ad-
19 justments shall, so far as practicable, be made in such manner
20 that the average support price for such commodity will,
21 on the basis of the anticipated incidence of such factors, be
22 equal to the level of support determined as provided in this
23 Act. Middling seven-eighths inch cotton shall be the stand-
24 ard grade for purposes of parity and price support.

25 SEC. 404. The Secretary, in carrying out programs under

1 section 32 of Public Law Numbered 320, Seventy-fourth
2 Congress, approved August 24, 1935, as amended, and sec-
3 tion 6 of the National School Lunch Act, may utilize the
4 services and facilities of the Commodity Credit Corporation
5 (including but not limited to procurement by contract), and
6 make advance payments to it.

7 SEC. 405. No producer shall be personally liable for
8 any deficiency arising from the sale of the collateral securing
9 any loan made under authority of this Act unless such loan
10 was obtained through fraudulent representations by the pro-
11 ducer. This provision shall not, however, be construed to
12 prevent the Commodity Credit Corporation or the Secretary
13 from requiring producers to assume liability for deficiencies
14 in the grade, quality, or quantity of commodities stored on
15 the farm or delivered by them, for failure properly to care
16 for and preserve commodities, or for failure or refusal to de-
17 liver commodities in accordance with the requirements of
18 the program.

19 SEC. 406. Nothing in this Act shall prevent the an-
20 nouncement of the level of price support for any agricultural
21 commodity in advance of the beginning of the marketing
22 year or season (January 1 in the case of commodities not
23 marketed on a marketing year or season basis) if the level
24 of price support so announced does not exceed the estimated

1 maximum level of price support specified in this Act, based
2 upon the latest information and statistics available to the
3 Secretary when such level of price support is announced;
4 and the level of price support so announced shall not be
5 reduced if the maximum level of price support when deter-
6 mined, is less than the level so announced.

7 SEC. 407. The Commodity Credit Corporation may sell
8 any farm commodity owned or controlled by it at any price
9 not prohibited by this section. It shall not sell any such
10 commodity at less than the current support price for such
11 commodity, except that this restriction shall not apply to
12 (A) sales for new or byproduct uses; (B) sales of peanuts
13 and oilseeds for the extraction of oil; (C) sales for seed or
14 feed if such sales will not substantially impair any price-
15 support program; (D) sales of commodities which have
16 substantially deteriorated in quality or as to which
17 there is danger of loss or waste through deterioration or
18 spoilage; (E) sales for the purpose of establishing claims
19 arising out of contract or against persons who have com-
20 mitted fraud, misrepresentation, or other wrongful acts with
21 respect to the commodity; (F) sales for export; (G) sales
22 of wool and mohair; and (H) sales for other than primary
23 uses.

24 SEC. 408. For the purposes of this Act—

25 (a) A commodity shall be considered storable upon

1 determination by the Secretary that, in normal trade
2 practice, it is stored for substantial periods of time and
3 that it can be stored under the price-support program with-
4 out excessive loss through deterioration or spoilage or with-
5 out excessive cost for storage for such periods as will permit
6 its disposition without substantial impairment of the effec-
7 tiveness of the price-support program.

8 (b) A "cooperator" with respect to any basic agri-
9 cultural commodity shall be a producer on whose farm the
10 acreage planted to the commodity does not exceed the farm
11 acreage allotment for the commodity under title III of the
12 Agricultural Adjustment Act of 1938, as amended, or in the
13 case of price support for corn to a producer outside the com-
14 mercial corn-producing area, a producer who complies with
15 conditions of eligibility prescribed by the Secretary. For
16 the purpose of this subsection, a producer shall not be deemed
17 to have exceeded his farm acreage allotment unless such
18 producer knowingly exceeded such allotment.

19 (c) A "basic agricultural commodity" shall mean corn,
20 cotton, peanuts, rice, tobacco, and wheat, respectively.

21 (d) A "nonbasic agricultural commodity" shall mean
22 any agricultural commodity other than a basic agricultural
23 commodity.

24 (e) The "supply percentage" as to any commodity shall
25 be the percentage which the estimated total supply is of

1 the normal supply as determined by the Secretary from the
2 latest available statistics of the Department of Agriculture
3 as of the beginning of the marketing year for the commodity.

4 (f) "Total supply" of any nonbasic agricultural com-
5 modity for any marketing year shall be the carry-over at
6 the beginning of such marketing year, plus the estimated
7 production of the commodity in the United States during
8 the calendar year in which such marketing year begins
9 and the estimated imports of the commodity into the United
10 States during such marketing year.

11 (g) "Carry-over" of any nonbasic agricultural com-
12 modity for any marketing year shall be the quantity of the
13 commodity on hand in the United States at the beginning
14 of such marketing year, not including any part of the crop
15 or production of such commodity which was produced in the
16 United States during the calendar year then current. The
17 carry-over of any such commodity may also include the
18 quantity of such commodity in processed form on hand in
19 the United States at the beginning of such marketing year,
20 if the Secretary determines that the inclusion of such proc-
21 essed quantity of the commodity is necessary to effectuate
22 the purposes of this Act.

23 (h) "Normal supply" of any nonbasic agricultural com-
24 modity for any marketing year shall be (1) the estimated
25 domestic consumption of the commodity for the marketing

1 year for which such normal supply is being determined,
2 plus (2) the estimated exports of the commodity for such
3 marketing year, plus (3) an allowance for carry-over. The
4 allowance for carry-over shall be the average carry-over of
5 the commodity for the five marketing years immediately
6 preceding the marketing year in which such normal supply
7 is determined, adjusted for surpluses or deficiencies caused by
8 abnormal conditions, changes in marketing conditions, or
9 the operation of any agricultural program. In determining
10 normal supply, the Secretary shall make such adjustments
11 for current trends in consumption and for unusual conditions
12 as he may deem necessary.

13 (i) "Marketing year" for any nonbasic agricultural
14 commodity means any period determined by the Secretary
15 during which substantially all of a crop or production of
16 such commodity is normally marketed by the producers
17 thereof.

18 (j) Any term defined in the Agricultural Adjustment
19 Act of 1938 shall have the same meaning when used in
20 this Act.

21 SEC. 409. (a) Section 301 (a) (1) (B) of the Agri-
22 cultural Adjustment Act of 1938, as amended by the
23 Agricultural Act of 1948 (defining "adjusted base price"),
24 is amended by adding at the end thereof the following: "As
25 used in this subparagraph, the term 'prices' shall include

1 wartime subsidy payments made to producers under pro-
2 grams designed to maintain maximum prices established
3 under the Emergency Price Control Act of 1942.”

4 (b) Section 301 (a) (1) (C) of such Act, as so
5 amended (defining “parity index”), is amended (1) by
6 inserting after the word “buy” a comma and the following:
7 “wages paid hired farm labor”, and (2) by inserting after
8 “such prices” a comma and the word “wages”.

9 (c) Section 301 (b) (10) (A) of such Act, as so
10 amended (defining “normal supply”), is amended by strik-
11 ing out “7 per centum in the case of corn” and inserting in
12 lieu thereof “10 per centum in the case of corn”.

13 SEC. 410. Section 4 of the Act of March 8, 1938, as
14 amended (15 U. S. C., 1946 edition, 713a-4), is amended
15 by substituting a colon for the period at the end of the
16 next to the last sentence thereof and adding the following:
17 “*Provided*, That the foregoing shall not limit the authority
18 of the Corporation to issue obligations for the purpose of
19 carrying out its annual budget programs submitted to and
20 approved by the Congress pursuant to the Government Cor-
21 poration Control Act (31 U. S. C., 1946 edition, sec. 841).”

22 SEC. 411. Section 32, as amended, of the Act entitled
23 “An Act to amend the Agricultural Adjustment Act, and
24 for other purposes”, approved August 24, 1935 (U. S. C.,
25 title 7, sec. 612c), is amended by inserting before the last

1 sentence thereof the following: "The sums appropriated
2 under this section shall be devoted principally to perishable
3 nonbasic agricultural commodities (other than those desig-
4 nated in title II of the Agricultural Act of 1949) and their
5 products."

6 SEC. 412. The President shall appoint, by and with
7 the advice and consent of the Senate, an Assistant Secretary
8 of Agriculture in Charge of Sales Operations. It shall be
9 the duty of such Assistant Secretary, subject to the super-
10 vision and direction of the Secretary, to plan and carry out,
11 through the Production and Marketing Administration, the
12 Commodity Credit Corporation, and other agencies within
13 the Department of Agriculture, programs for marketing
14 and otherwise disposing of agricultural commodities and
15 products acquired through price support and other activi-
16 ties of the Department. In planning and carrying out
17 such programs such Assistant Secretary shall strive to
18 make such commodities and products available for pur-
19 chase in areas of the country in which they are in
20 short supply and in which prices for such commodi-
21 ties and products are above support levels. Such As-
22 sistant Secretary shall, ex officio, be one of the directors of
23 the Commodity Credit Corporation provided for by law.
24 Programs affecting the disposition of property of the Com-
25 modity Credit Corporation shall be subject to the approval

1 of its board of directors and the Secretary. Such Assistant
2 Secretary shall be compensated at the same rate as the
3 other Assistant Secretary of the Department of Agriculture,
4 and shall perform such additional functions as the Secretary
5 may assign.

6 SEC. 413. Determinations made by the Secretary under
7 this Act shall be final and conclusive.

8 SEC. 414. This Act shall not be effective with respect to
9 price support operations for any agricultural commodity for
10 any marketing year or season commencing prior to January
11 1, 1950, except to the extent that the Secretary of Agricul-
12 ture shall, without reducing price support theretofore under-
13 taken or announced, elect to apply the provisions of this Act.

14 SEC. 415. Section 302 of the Agricultural Adjustment
15 Act of 1938, as amended, and any provision of law in con-
16 flict with the provisions of this Act are hereby repealed.

81ST CONGRESS
1ST Session

S. 2522

[Report No. 1091]

A BILL

To stabilize prices of agricultural commodities.

By Mr. ANDERSON

AUGUST 31 (legislative day, JUNE 2), 1949
Read twice and referred to the Committee on
Agriculture and Forestry

SEPTEMBER 20 (legislative day, SEPTEMBER 3), 1949
Reported without amendment



S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (S. 2522) to stabilize prices of agricultural commodities, viz:

- 1 On page 4, line 7, after "mohair" insert a comma and
- 2 the following: "Angora rabbit wool, turkeys".
- 3 On page 4, line 15, after "mohair" insert a comma and
- 4 the following: "Angora rabbit wool, turkeys".

81ST CONGRESS
1ST Session

S. 2522

AMENDMENTS

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 21 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WATKINS (for himself, Mr. YOUNG, Mr. MILLIKIN, Mr. JOHNSON of Colorado, Mr. LUCAS, Mr. GILLETTE, and Mr. DOWNEY) to the bill (S. 2522) to stabilize prices of agricultural commodities, viz:

- 1 On page 4, line 8, after the word "Nuts" insert the
- 2 word "honey".
- 3 On page 4, line 15, after the word "nuts" insert the
- 4 word "honey".

9-21-49—C



AMENDMENTS

Intended to be proposed by Mr. WATKINS (for himself, Mr. Young, Mr. Mulikin, Mr. Johnson of Colorado, Mr. Lucas, Mr. Gillette, and Mr. Downey) to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 21 (legislative day, September 3), 1949
Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522) to stabilize prices of agricultural commodities, viz:

At the end of the bill add the following new section:

1 SEC. 416. (a) Except to the extent superseded by
2 Public Law 272, Eighty-first Congress, sections 201 (b),
3 201 (d), 201 (e), 203, 204, 206, 207, and 208 of the
4 Agricultural Act of 1948 shall be effective for the purpose
5 of taking any action with respect to the 1950 and subse-
6 quent crops upon the enactment of this Act. If the time
7 within which any such action is required to be taken shall
8 have elapsed prior to the enactment of this Act, such action
9 shall be taken within thirty days after the enactment of
10 this Act.

11 (b) No provision of the Agricultural Act of 1948 shall
12 be deemed to supersede any provision of Public Law 272,
13 Eighty-first Congress.

81ST CONGRESS
1ST Session

S. 2522

AMENDMENT

Intended to be proposed by Mr. Anderson to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 26 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG (for himself and Mr. RUSSELL) to the bill (S. 2522) to stabilize prices of agricultural commodities, viz:

- 1 On page 3, beginning with the word "immediately" in
- 2 line 6, strike out all through the word "effect" in line 8.

9-26-49—D

81ST CONGRESS
1ST SESSION

S. 2522

AMENDMENT

Intended to be proposed by Mr. Young (for himself and Mr. Russell) to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 26 (Legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUTLER to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

- 1 On page 4, line 7, strike out the word "shorn".
- 2 On page 4, line 9, strike out the word "shorn".

9-26-49—C

81ST CONGRESS
1ST Session

S. 2522

AMENDMENTS

Intended to be proposed by Mr. BUTLER to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 26 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed



S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. Aiken to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

- 1 On page 3, strike out lines 3 to 8, inclusive.
- 2 On page 3, line 9, strike out “(2)” and insert “(1)”.
- 3 On page 3, line 17, strike out “(3)” and insert “(2)”.
- 4 On page 3, line 21, strike out “(4)” and insert “(3)”.

81ST CONGRESS
1ST SESSION

S. 2522

AMENDMENTS

Intended to be proposed by Mr. Aiken to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. AIKEN to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz: On page
14 strike out lines 13 to 21, inclusive, and insert in lieu
thereof the following:

1 SEC. 410. The next to last sentence of section 4 of the
2 Act of March 8, 1938, as amended (15 U. S. C., title 15,
3 sec. 713a-4), is amended by inserting after the word "but"
4 the following: "(1) this sentence shall not limit the author-
5 ity of the Corporation to issue obligations for the purpose of
6 carrying out its annual budget programs submitted to and
7 approved by the Congress pursuant to the Government
8 Corporation Control Act (U. S. C., title 31, sec. 841) and
9 (2)".

81ST CONGRESS
1ST Session

S. 2522

AMENDMENT

Intended to be proposed by Mr. Aiken to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. AIKEN to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

1 On page 5, line 13, after the period insert the follow-
2 ing: "No program shall be undertaken to support the price
3 of any such commodity, however, if the estimated loss,
4 exclusive of administrative expense, which would be in-
5 curred in such program with respect to the crop (or calendar
6 year's domestic production in the case of a noncrop com-
7 modity) to which the program would apply will exceed
8 10 per centum of the estimated value to producers of the
9 preceding crop produced in the United States or of the esti-
10 mated value to producers of the United States production
11 in the preceding calendar year, as the case may be."

81ST CONGRESS
1ST SESSION

S. 2522

AMENDMENT

Intended to be proposed by Mr. ARKEN to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 27 (legislative day, SEPTEMBER 3), 1949.

Ordered to lie on the table and to be printed



IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GILLETTE to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

- 1 On page 15, line 17, after the word "Secretary" insert
- 2 a comma and the following: "after giving consideration to
- 3 the recommendations of an advisory board which the Secre-
- 4 tary is hereby authorized to appoint,".

81ST CONGRESS
1ST SESSION

S. 2522

AMENDMENT

Intended to be proposed by Mr. GILLETTE to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 28 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed



IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. LUCAS to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

1 On page 13, line 12, before the period insert a comma
2 and the following: "and shall exclude any abnormal con-
3 sumption or exports resulting from export or diversion opera-
4 tions of the Department of Agriculture or any of its agencies
5 (other than operations pursuant to an international agree-
6 ment ratified by the Senate) which result in losses to such
7 Department or agencies".

8 On page 14, line 10, after "is amended" insert "(1)".

9 On page 14, line 12, before the period insert a comma
10 and the following: "and (2) by inserting before the period
11 at the end of the last sentence thereof a comma and the

1 following: 'and shall exclude any abnormal consumption
 2 or exports resulting from export or diversion operations of
 3 the Department of Agriculture or any of its agencies (other
 4 than operations pursuant to an international agreement
 5 ratified by the Senate) which result in losses to such
 6 Department or agencies'".

81ST CONGRESS
 1ST SESSION

S. 2522

AMENDMENTS

Intended to be proposed by Mr. Lucas to the
 bill (S. 2522) to stabilize prices of agricul-
 tural commodities.

SEPTEMBER 30 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

1 On page 14, line 12, strike out "10 per centum in the
2 case of corn" and insert in lieu thereof "15 per centum in
3 the case of corn".

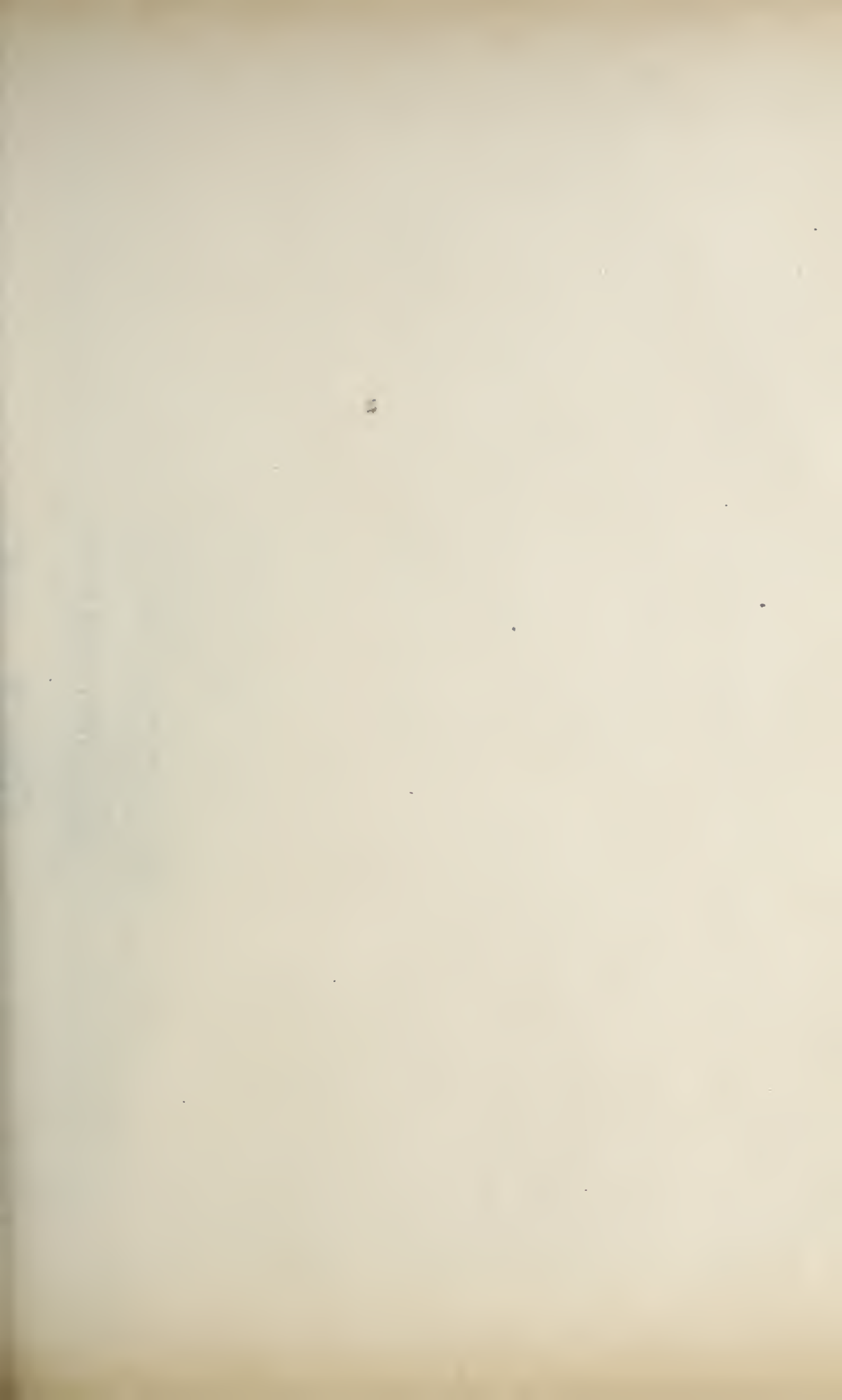
4 On page 14, between lines 12 and 13, insert the
5 following:

6 “(d) Section 322 (a) of such Act, as so amended
7 (relating to corn marketing quotas), is amended (1) by
8 striking out ‘20 per centum’ and inserting in lieu thereof
9 ‘10 per centum’, and (2) by adding at the end thereof the
10 following: ‘With respect to the 1950 crop of corn the
11 proclamation required by this section may be made, not-

1 withstanding the foregoing, at any time prior to February 1,
2 1950.'

3 “(e) Section 328 of such Act, as so amended (relat-
4 ing to corn acreage allotments), is amended by striking
5 out ‘reserve supply level’ and inserting in lieu thereof
6 ‘normal supply’.

7 “(f) Notwithstanding any other provision of law, sec-
8 tion 203 of the Agricultural Act of 1948 shall become
9 effective upon the enactment of this Act.”



AMENDMENTS

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522) to stabilize prices of agricultural commodities.

SEPTEMBER 30 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

tively and to some extent retroactively by section 201 of the bill, are regarded as valuable rights by federally employed seamen, whose numbers exceed 16,000 at the present time. The representatives of maritime unions are now strongly urging, since the bill was placed on the Senate Calendar, that their right to sue the United States under maritime law be preserved and that they be kept in status quo. It would appear that none of the seamen's representatives were apprised of the implications of the bill insofar as it affects their maritime rights. Consequently none of the representatives of maritime labor appeared before the committees which considered the bill, and upon a perusal of the hearings I find no evidence that the effect of the bill upon seamen was explored on the merits. I think this is particularly unfortunate, although undoubtedly inadvertent, in view of the fact that seamen for years have opposed exclusive coverage under workmen's compensation.

Because I think there is merit in their position, and because I feel they should not be deprived of benefits they have enjoyed for many years without opportunity to have their arguments carefully considered by the appropriate committees of the Congress, I am proposing these amendments which are intended, insofar as possible, to preserve the rights of federally employed seamen under existing law to proceed against the United States apart from the Compensation Act. The purpose is likewise to preserve the status quo as to choice of remedies by seamen.

The first amendment, therefore, proposes to add the following proviso to section 7 (b) of the Federal Employees' Compensation Act, which subsection would be inserted in that act by section 201 of the bill: "Provided, however, That this subsection shall not apply to a master or a member of the crew of any vessel."

By this proviso, it is intended that the special provision, as added to the Compensation Act by this bill, declaring the liability of the United States under that act to be exclusive, shall not apply to seamen employed by the United States. It is not intended that the right of federally employed seamen, as heretofore recognized by the courts, to maintain suits against the United States, shall be lessened by this bill. In short, the amendment is intended merely to preserve the status quo as to seamen. If the Congress should decide to go into this matter further at some future session, it could then do so without delaying the enactment of this urgently needed bill.

I propose further that a new section, Section 305, be added to the bill on page 39, between lines 17 and 18, as follows:

"SEAMEN

"Sec. 305. (a) Nothing contained in this act shall be construed to affect the exclusion of certain seamen (as defined in the Act of March 24, 1943, chapter 26, 57 Stat. 45, as amended; 50 U. S. C. Appendix, sec. 1291) from the terms of the Federal Employees' Compensation Act, as provided by such act of March 24, 1943, as amended."

"(b) Nothing contained in this act shall be construed to effect any maritime rights and remedies of a master or member of the crew of any vessel."

Subsection (a) of the proposed Section 305 is necessary because of the special status of seamen on vessels that were operated under General Agency agreements with the War Shipping Administration, now succeeded by the Maritime Commission. By the so-called Clarification Act of March 24, 1943, as amended (50 U. S. C., Appendix, Sec. 1291), seamen on vessels so operated are excluded from coverage under the Federal Employees' Compensation Act, and it is not intended to

supersede the Clarification Act by these amendments. While the House Report on the bill (House Rept. No. 729, p. 13) states that it is not intended to repeal this specific statutory exclusion, doubts have been expressed as to whether the bill and the explanation in the House report would have the intended effect. Consequently, to resolve doubts on this score, subsection (a) of Section 305 is proposed, in order to maintain the status quo under the Clarification Act.

Subsection (b) of the proposed new Section 305 is intended out of caution, to reaffirm what is accomplished by the proposed amendment to Section 201 of the bill, lest some other provision of the bill which, in some way not now foreseen, might be construed to take away any election of remedies that seamen might now have. The new subsection would make clear that no provision of this amending act, as distinguished from the existing Compensation Act itself, shall be construed to affect any maritime rights or remedies of seamen. The purpose is to reserve to seamen whatever rights they now have, or may be held to have, under maritime law, and to allay the fears that have been expressed that the amendments to the Compensation Act being made by this bill will be construed to negative or reduce any of the maritime rights and remedies of seamen.

It will be observed that Section 303 (g) of the bill, on pages 37 and 38, states that the exclusive remedy under the Compensation Act as provided in the amendment made by Section 201 of the bill, shall not apply to cases of injury or death in which liability under laws other than the Compensation Act was "finally determined" prior to the enactment of the present bill. The effect of this provision is to substitute the remedies provided in the Compensation Act for remedies being pursued by Federal employees in a large number of civil and admiralty actions. Thus rights, if any, presently existing and being asserted in pending court proceedings would be wiped out, automatically. It appears to me that such retroactive effect is not desirable or equitable. Claimants merit better treatment from their government.

The amendment I propose, as a substitute for section 303 (g) of the bill, reads as follows:

"(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive except as to masters and members of the crew of any vessels, shall apply to any case of injury or death occurring prior to the date of enactment of this act: *Provided, however*, That any person who has commenced a civil action or an action in admiralty with respect to such injury or death prior to such date, shall have the right at his election to continue such action notwithstanding any provision of this act to the contrary, or to discontinue such action within 6 months after such date before final judgment and file claim for compensation under the Federal Employees' Compensation Act, as amended, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after enactment of this act, whichever is later. If any such action is not discontinued and is decided adversely to the claimant on the ground that the remedy or liability under the Federal Employees' Compensation Act is exclusive, or on jurisdictional grounds, or for insufficiency of the pleadings, the claimant shall, within the time limited by sections 15 to 20 of such act (including any extension of such time limitations by any provision of this act), or within 1 year after final determination of such cause, whichever is later, be entitled to file a claim under such act."

The effect of this amendment would be to give Federal employees, for a limited period, a right to elect, in certain situations, whether to pursue their remedies (if they have any) sought in pending cases or to come under the terms of the Compensation Act. Thus, the exclusive remedy provision of section 201 would not automatically apply with respect to an injury or death occurring prior to the date of enactment of this bill if a civil action or an action in admiralty had been commenced with respect thereto prior to the date of enactment of this bill. Persons maintaining such actions could discontinue them within 6 months, before final judgment, and be entitled to file a claim for compensation within the time limits provided in the Federal Employees' Compensation Act, as amended, or within 1 year after the enactment of this bill, whichever is later. Moreover, in recognition of the fact that some legal actions might be decided adversely to the claimant on grounds other than the merits of the claim, it is provided that persons whose pending claims are dismissed on jurisdictional grounds, insufficiency of the pleadings, or because the remedy under the Compensation Act is exclusive, may file claim under the Compensation Act within similar time limitations.

STATEMENT BY SENATOR DOUGLAS

Mr. President, I should like to state my ground for agreeing to the amendments offered by the Senator from Oregon. The primary consideration for accepting the Senator's amendments preserving the maritime rights and other statutory remedies of seamen is the fact that no hearings were held, no arguments were heard, and no discussion was had on this aspect of the pending bill.

Rather than make a summary disposition of these seamen's rights at this time, or to delay for additional hearings the whole measure affecting compensation rights of all Government employees, it seems wiser, as these amendments do, to preserve the status quo as to such rights of seamen. It is my understanding that we do this pending, and without prejudice to, a full consideration by the Congress on the basis of adequate hearings (a) of the alleged merits or demerits of the Compensation Act benefits as compared with traditional and statutory maritime remedies and (b) of the justice or injustice of, or specific circumstances for, permitting these Federal employees to have an election of remedies denied to others.

It is my further understanding that this bill as amended will only change the status quo of seamen to the extent that it increases compensation rights of those Government-employed seamen covered by the act. For the same reason, namely, that we have had no hearings on the matter, we are not seeking to legislate affirmatively as to certain claims and denial of a right of election of remedies under existing laws, which claims and denials have not yet been adjudicated by the Supreme Court, although various other Federal courts have, in effect, held that federally employed seamen have such an election.

In short, until the matter may be more fully considered by Congress, we seek by the amendments merely to make sure that seamen shall lose no existing rights.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 3191 was read the third time and passed.

Mr. DOUGLAS. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. DOUGLAS, Mr. NEELY, Mr. WITHERS, Mr. TAFT, and Mr. DONNELL conferees on the part of the Senate.

CORRECTION OF THE RECORD

Mr. SPARKMAN. Mr. President, in the CONGRESSIONAL RECORD of September 28, on page 13765, in a statement I made with reference to the responsibility of the Federal Deposit Insurance Corporation, this sentence appears:

They represent the deposits of 9,000,000 Americans.

That figure should be 90,000,000. I ask unanimous consent that the permanent RECORD be corrected accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

Mr. LUCAS. Mr. President, in line with the previous statements I have made, I now move that the Senate proceed to consider Senate bill 2522, to stabilize prices of agricultural commodities.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2522) to stabilize prices of agricultural commodities.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1949."

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 percent of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102.....	90
More than 102 but not more than 104....	89
More than 104 but not more than 106....	88
More than 106 but not more than 108....	87
More than 108 but not more than 110....	86
More than 110 but not more than 112....	85
More than 112 but not more than 114....	84
More than 114 but not more than 116....	83
More than 116 but not more than 118....	82
More than 118 but not more than 120....	81
More than 120 but not more than 122....	80
More than 122 but not more than 124....	79
More than 124 but not more than 126....	78
More than 126 but not more than 128....	77
More than 128 but not more than 130....	76
More than 130.....	75

(b) for cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:

Not more than 108_____	90
More than 108 but not more than 110____	89
More than 110 but not more than 112____	88
More than 112 but not more than 114____	87
More than 114 but not more than 116____	86
More than 116 but not more than 118____	85
More than 118 but not more than 120____	84
More than 120 but not more than 122____	83
More than 122 but not more than 124____	82
More than 124 but not more than 125____	81
More than 125 but not more than 126____	80
More than 126 but not more than 127____	79
More than 127 but not more than 128____	78
More than 128 but not more than 129____	77
More than 129 but not more than 130____	76
More than 130_____	75

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 percent of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) the level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect;

(2) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 percent of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(3) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 percent of the level of price support to cooperators in the commercial corn-producing area;

(4) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for shorn wool, mohair, tung nuts, Irish potatoes, milk, and butterfat as follows:

(a) The price of shorn wool shall be supported through loans, purchases, or other operations at such level, not in excess of 90 percent nor less than 60 percent of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool;

(b) The price of mohair, tung nuts, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 percent nor less than 60 percent of the parity price therefor;

(c) The price of whole milk and butterfat, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of such commodities.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 percent of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 percent of the parity price of such commodity nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
------------------------------------------------------------------------	-------------------------------------------------------------------------------------------

Not more than 102.....	90
More than 102 but not more than 104....	89
More than 104 but not more than 106....	88
More than 106 but not more than 108....	87
More than 108 but not more than 110....	86
More than 110 but not more than 112....	85
More than 112 but not more than 114....	84
More than 114 but not more than 116....	83
More than 116 but not more than 118....	82
More than 118 but not more than 120....	81
More than 120 but not more than 122....	80
More than 122 but not more than 124....	79
More than 124 but not more than 126....	78
More than 126 but not more than 128....	77
More than 128 but not more than 130....	76
More than 130.....	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this act, the amounts, terms, and conditions of price-support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(c) Compliance by the producer with acreage allotments, production goals, and

marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

Sec. 402. Notwithstanding any other provision of this act, price support at a level in excess of the maximum level of price support otherwise prescribed in this act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

Sec. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidents of such factors, be equal to the level of support determined as provided in this act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

Sec. 404. The Secretary, in carrying out programs under section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it.

Sec. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

Sec. 406. Nothing in this act shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis) if the level of price support so announced does not exceed the estimated maximum level of price support specified in this act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support, when determined, is less than the level so announced.

Sec. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. It shall not sell any such commodity at less than the current support price for such commodity, except that this restriction shall not apply to (A)

sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool and mohair; and (H) sales for other than primary uses.

Sec. 408. For the purposes of this act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

(d) A "nonbasic agricultural commodity" shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The "supply percentage" as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f) "Total supply" of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g) "Carry-over" of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this act.

(h) "Normal supply" of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for

the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(i) "Marketing year" for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938 shall have the same meaning when used in this act.

Sec. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining "adjusted base price"), is amended by adding at the end thereof the following: "As used in this subparagraph, the term 'prices' shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942."

(b) Section 301 (a) (1) (C) of such act, as so amended (defining "parity index"), is amended (1) by inserting after the word "buy" a comma and the following: "wages paid hired farm labor," and (2) by inserting after "such prices" a comma and the word "wages."

(c) Section 301 (b) (10) (A) of such act, as so amended (defining "normal supply"), is amended by striking out "7 percent in the case of corn" and inserting in lieu thereof "10 percent in the case of corn."

Sec. 410. Section 4 of the act of March 8, 1938, as amended (15 U. S. C., 1946 ed., 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: "Provided, That the foregoing shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 ed., sec. 841)."

Sec. 411. Section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

Sec. 412. The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture in Charge of Sales Operations. It shall be the duty of such Assistant Secretary, subject to the supervision and direction of the Secretary, to plan and carry out, through the Production and Marketing Administration, the Commodity Credit Corporation, and other agencies within the Department of Agriculture, programs for marketing and otherwise disposing of agricultural commodities and products acquired through price support and other activities of the Department. In planning and carrying out such programs such Assistant Secretary shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels. Such Assistant Secretary shall, ex officio, be one of the directors of the Commodity Credit Corporation provided for

by law. Programs affecting the disposition of property of the Commodity Credit Corporation shall be subject to the approval of its board of directors and the Secretary. Such Assistant Secretary shall be compensated at the same rate as the other Assistant Secretary of the Department of Agriculture, and shall perform such additional functions as the Secretary may assign.

SEC. 413. Determinations made by the Secretary under this act shall be final and conclusive.

SEC. 414. This act shall not be effective with respect to price-support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this act.

SEC. 415. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this act are hereby repealed.

Mr. LUCAS. Mr. President, I send to the desk an amendment to the bill and

ask that the amendment be printed and lie on the table. I also request that it be printed in the RECORD at this point following the printing of the bill.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table, and, without objection, will be printed in the RECORD at this point.

The amendment intended to be proposed by Mr. LUCAS is as follows:

On page 13, line 12, before the period, insert a comma and the following: "and shall exclude any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture or any other agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such department or agencies."

On page 14, line 10, after "is amended", insert "(1)."

On page 14, line 12, before the period insert a comma and the following: "and (2) by inserting before the period at the end of the

last sentence thereof a comma and the following: 'and shall exclude any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture or any of its agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such department or agencies.'"

RECESS TO MONDAY

Mr. LUCAS. Mr. President, in connection with the understanding with the minority leader and other Senators that the farm bill would not be taken up for consideration until Monday, so far as any amendments to it are concerned, if there is no other business to be transacted, I move that the Senate take a recess until Monday at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, October 3, 1949, at 12 o'clock meridian.

only equitable that comparable work should receive comparable pay. This administrative practice is well outlined in a paragraph from a letter I received from Mr. Chandler, Director of the United States Courts; and the problem this practice presents is stated in a letter I received from Mr. Justice Black.

I ask unanimous consent to have these letters printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D. C., September 23, 1948.
Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

DEAR SENATOR LUCAS: This is in response to your request for information with regard to the procedure followed in fixing salaries of personnel of the United States courts other than judges.

Although supporting personnel of the courts are not subject to the Classification Act of 1923, as amended, it has been the practice to follow the act in placing personnel of the courts in grades for the purpose of fixing their salaries. Also, it has been the practice when legislation has been enacted affecting the compensation of classified employees in the executive branch for parallel action to be taken adjusting the salaries of court personnel on a comparable basis. Thus, when the Ramspeck Act was passed in 1941 (55 Stat. 613) providing for within-grade promotions of classified employees in the executive branch, a similar promotional plan was adopted by the judicial conference of the United States applicable to personnel of the courts. In the event that pending legislation which amends the Classification Act is enacted by Congress, undoubtedly action will be taken by the director of the administrative office, under the supervision and direction of the judicial conference, to adjust the salaries of court personnel in line with the provisions of such legislation.

Sincerely yours,

HENRY P. CHANDLER.

SUPREME COURT OF THE UNITED STATES,
Washington, D. C., September 8, 1949.
Hon. SCOTT LUCAS,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR LUCAS: Acting as the legislative committee for the Supreme Court and pursuant to our telephone conversation with you of September 6, we invite your consideration of what will be the status of employees of the Supreme Court and of the other Federal courts in the event of the passage of pending legislation which provides expressly for an increase in the compensation of employees in the executive and legislative branches of the Government, but makes no mention of employees of these courts.

We refer to: S. 2379 (LONG), and H. R. 5931 (MURRAY), each entitled "A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes," and to S. 2396 (LUCAS), entitled "A bill relating to the compensation of employees of the Senate and the House of Representatives."

We assume that if these bills become law Congress would wish employees of the Supreme Court and of the other Federal courts to receive comparable increases in their compensation.

In this connection, it has been suggested to us that the new Judicial Code, in 28 United States Code, sections 671 to 675 as to employees of the Supreme Court and in 28 United States Code section 604 (a) (5) as to employees of the other Federal courts, already has granted the necessary authority for making comparable or other increases to these employees without further congressional action. It likewise has been suggested that such action would not conflict with the antideficiency law (31 U. S. C. sec. 665). However, our purpose in mentioning this matter to you is to make sure that these employees have been considered and that they may, without difficulty, receive increases in pay comparable to any that Congress may authorize for the executive and legislative employees. We have no doubt that you will take whatever action, by express reference to them or otherwise, as shall be appropriate to enable these employees to receive treatment comparable to that accorded to those in the other branches of the service.

Thanking you for your consideration, we remain,

Cordially yours,

HUGO L. BLACK.
HAROLD H. BURTON.

Mr. LUCAS. The Classification Act approved last Friday raises the civil-service pay level in many instances. No mention is made of judicial employees. The problem which presents itself to the Director of the United States Courts and the Supreme Court is whether the salaries of the employees of the Federal court system may be increased to correlate with the new Classification Act without fear of a violation of the 80-year old Antideficiency Act. This act provides that no Government establishment shall commit itself to the expenditure of funds during any fiscal year in excess of the funds appropriated.

With a very small organization, such as the Federal court system, it is extremely difficult to absorb completely the increased costs resulting from these pay increases. I know that every effort will be made to absorb these costs, but these officials should not be forced to operate under the pressure of a possible statutory violation.

This problem is slightly different from the operation of a pay-raise act on the executive departments. The heads of these departments are specifically authorized by Congress to increase pay levels. Therefore, there can be no question of a violation of the Antideficiency Act.

Where pay levels have been correlated to the Classification Act as a matter of administrative practice, as in the judicial system, the officials making the pay increases must rely on past administrative interpretation or inferred congressional intent to protect themselves from possible prosecution under this old act. A letter I received from Mr. F. J. Lawton, Acting Director of the Bureau of the Budget, explains that it has been the policy of that Bureau to treat the Administrative Office of the United States Courts the same as other agencies, and to allow adjusting appropriations where it becomes impossible for that office to absorb the total increased cost of a pay raise. I ask unanimous consent to have this letter printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., September 28, 1949.
Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LUCAS: Should the Congress enact pay legislation of the type proposed in S. 2379, the Bureau of the Budget would propose to follow the same procedure it has in the past in making funds available for the payment of increased salaries. Subsequent to the enactment of the pay acts of 1945, 1946, and 1948, the Bureau of the Budget made every effort to see that the various departments and agencies absorbed as much of the increased cost as possible. In those cases where complete absorption was not possible, the apportionment of available funds was made on an unequal basis, and supplemental estimates of appropriations were transmitted to the Congress in the latter part of the fiscal year. The view was adopted that such unbalanced apportionments did not violate the spirit of the antideficiency act and they were not included in our quarterly reports on the operation of that act. In each instance the chairmen of the Appropriations Committees were advised of this procedure.

As you are no doubt aware, each of these pay acts has had a resulting effect on certain groups of employees whose salaries are fixed administratively by the head of the agency or, as in the case of the administrative office of the United States courts in the judiciary, the administrative authority has seen fit to pay salaries in accordance with the Classification Act of 1923, as amended. In such cases, we have treated agencies of this type on the same basis as those directly under the provisions of the Classification Act, provided that the increases granted as a result of the pay acts did not cause the salaries for positions to exceed the rate which would be prescribed for comparable positions under the Classification Act.

In the case of the three pay acts mentioned, the chairmen of the Appropriations Committees did not object to the method proposed by the Bureau of the Budget for handling any increased costs resulting from the passage of these acts.

Should S. 2379 become law, the Bureau would propose to follow the same procedures to the extent that additional funds might be necessary to defray the resulting increased cost of salaries.

Sincerely yours,

F. J. LAWTON,
Acting Director.

Mr. LUCAS. However, Mr. President, these officials are entitled to more than a mere reliance on past practice. A statement by the distinguished Senator who handles this bill at conference that it is the intention of Congress to authorize pay increases where it has been the administrative practice, as in the judicial system, to correlate pay levels to the classified pay grades would suffice.

I respectfully submit that this problem needs clarification, and I ask that the conferees consider and report upon it. Mr. President, it is the suggestion of the Senator from Illinois that when the conferees meet, they take these letters and this statement by the Senator from Illinois, and if possible make some report from the conference with respect to those who are on the payroll of the Supreme Court, the other Federal courts, and the

administrative offices of the judicial branch of the Government.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. ANDERSON. Mr. President, in beginning the debate of the farm bill, I wish to say that I do not intend to hold the floor for any great length of time in presenting a prepared statement. What I hope to do is to discuss briefly some of the changes proposed by the bill, yield to other Senators for as many questions as they may desire to ask, and give other Senators ample opportunity to discuss the bill within the limits of their own desires.

First of all, question has been raised as to why we constantly have to have discussions of farm legislation. One of the reasons is that thus far we have not enacted a definite farm law which has duration, a law which can last and can have permanent status. That is the first point upon which I wish to comment.

The bill which has been reported to the Senate is not a temporary bill. It is a bill which we think can operate during the years and can operate successfully. It is not designed to take advantage of any particular group of high-price-level years, nor is it something which can work only in cases where agricultural prices have reached the bottom. We believe it will, if enacted, constitute legislation which can continue in operation for many, many years to come. I mention that because there is before the Senate, or at least it is pending in the Senate Committee on Agriculture and Forestry, what is commonly known as the Gore bill. One of the reasons why the Senate Committee on Agriculture and Forestry tried hard to report a bill of the sort which is now before the Senate was that the Gore bill applied only to 1950 production; and subsequently, in 1951, Congress would be faced again with the necessity of trying to enact adequate and proper farm legislation. Therefore, by means of the bill now before the Senate, we hope to be able to make some solution of the farm problem, so that it will not recur year after year.

Mr. President, the bill now before the Senate will make no change in the basic commodities.

Mr. LUCAS. Mr. President, will the Senator yield, or does he prefer not to yield?

Mr. ANDERSON. I prefer to yield as we go along.

Mr. LUCAS. With respect to permanent legislation, I am sure the Senator from New Mexico will agree with me that since the cessation of hostilities in the last war, we have had sufficient time to be able now to write permanent legislation, so far as a farm bill is concerned, and that the people of the country—especially the farmers—are demanding that there be placed upon the statute books a farm bill which will be permanent and basic, not a year-to-year proposition which will tell them nothing so far as the future is concerned.

Mr. ANDERSON. I thank the Senator from Illinois for reminding me of that.

Mr. President, I wish to point out that never before in the history of farm legislation has there been so intensive a study of desirable permanent farm legislation as there has been in this postwar period. It began, as a matter of fact, so far as the Department of Agriculture was concerned, with the appointment of a committee on postwar farm legislation. That committee worked for a number of years. Then, at the end of the time during which it was to make its study, it reported to the Congress, to both the House of Representatives and the Senate, upon the necessity of a postwar farm program. That program was carefully considered during 1946, 1947, and 1948. It takes a long time to be certain that it is possible to present a program which has some semblance of permanency to it.

Both the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry went over the country holding meetings, trying to find out what the farmers wanted, and trying to make sure that the legislation which finally would be enacted would be of a permanent character because it represented what the committees believed to be the ultimate desires of the farmers for long-range legislation.

It so happened at the end of 1948 that it was difficult to bring together the divergent points of view of the House of Representatives and of the Senate. There was no meeting of minds. When the compromise farm bill was finally passed, it provided that the House bill would go into effect for a certain period and the Senate bill would go into effect thereafter. But prior to that decision, a long series of meetings was held throughout the country, and many hearings were held in Washington. Back of the testimony of the Department of Agriculture itself there were, I should say, many years of study by committees, set up within the Department, embracing all the policy-making officials within the Department, in an endeavor to make sure that the program which was proposed would be one which had been carefully considered and studied.

I may say that the program which was adopted by the Senate in 1948, and which is reflected in the bill now before the Senate, is based upon the principle of flexible price supports. I wish to remind the Senate that that principle is not simply something which had been favored by the Department of Agriculture and was written into the Senate bill, but it appeared in both political party platforms in 1948. Both parties pledged themselves to the enactment of legislation embracing flexible price supports. Therefore, when we now come forward with a bill which continues flexibility, which makes it possible to continue flexible price supports, we are certainly acting in the best of faith so far as concerns the people throughout the country who had reason to believe that that sort of a bill would come before the Congress.

As to price levels, as I have already indicated, I shall not take a great deal of time in discussing many of these points; but if there are questions by various Senators, I hope we shall be able to dispose of them as we proceed.

The price levels provided by this bill run from 75 to 90 percent of a modernized parity formula. That does not mean that they are fixed at the old 90-percent level of wartime prices. The modernized formula, which was introduced for the first time in the Agricultural Act of 1948, and particularly in title 2 of the Senate version of that act, provided for modernizing the parity formula. I may say there seemed to be no subject on which the farm organizations were in more complete agreement than that the parity formula should be modernized. Regardless of whether it was or was not doing it, there were many persons who said the parity formula was tying agriculture to the horse-and-buggy age or to some other forgotten, bygone period—that it was tying agriculture back to 1909 and 1914. Those persons would point out that tremendous changes had occurred in agriculture in the intervening years, that mechanization had come into the picture; that whereas in the period 1909–14, there was practically no use of tractors on farms, yet today in certain sections of the country agriculture is using tractors almost entirely and it was pointed out very generally that it was certainly desirable to have that formula modernized.

For the purposes of this bill, we have picked up exactly the modernized version of the so-called Aiken bill of 1948, with the exception that we have added the wages of hired labor. I admit that at the beginning we do thus increase in some degree the parity formula. I am not certain it will always increase the parity formula as much as it now does, because the parity formula has been long overdue for an overhauling. The weights which are arbitrarily assigned in the calculation of the parity formula I think have needed examination and review. I believe the inclusion of hired labor will require the Department of Agriculture to make a study of that subject again in an effort to try and find out whether the calculations need to be changed upwards or downwards. Therefore I say it is not possible clearly to indicate that the inclusion of hired labor will always amount to a substantial increase in the operation of the bill so far as the parity formula is concerned. But I do not want to mislead anyone. It does now increase the parity level by about 6 percent.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. The Senator has just answered a question I intended to ask, as to how much the inclusion of farm labor would increase the parity formula, by saying, it would increase it 6 percent. I should like to ask this question, does the Senator have any tables to show the actual increases in the case of the basic and nonbasic commodities, a table showing what this particular factor does toward increasing these, and what would happen if it were omitted?

The Senator well knows that from the very beginning I have been one who has always opposed inclusion of labor as a factor in defining parity. It is an old, old story. Everyone knows that in the beginning those who made up the parity

formula excluded labor, because at that time labor was cheap. Now that labor is high, those who want to include labor are taking this opportunity to increase the price of the product through purchases and loans at higher price-support levels. The Senator expresses it correctly when he says the inclusion of hired labor may not always have the effect of causing a substantial increase in the parity price this way. In other words, if the time ever comes when agricultural labor is cheap again—and that may never be—the support level would go down rather than up. I am not so sure the Senator from Illinois, in view of what has happened in the past, may not offer, before the debate is concluded, an amendment to strike out the provision in respect to the inclusion of labor labor as a factor.

Mr. ANDERSON. I may say to the Senator that different factors enter into the equation, because we are using a transitional period, which, because of the new modernized version, drops the parity only about 5 percent each year. That has to be taken into consideration to some degree. But quite obviously it will increase the prices of corn, wheat, cotton, rice, and all the other agricultural commodities.

I think I should say to the Senator from Illinois that the question of the inclusion of hired labor has been brought into prominence more by the development of mechanization than perhaps it otherwise would have been. At a time when a great many of the wheat farmers in the North did a great deal of their own work, when the threshing season arrived, as I can well testify, all the farmers of the neighborhood assisted in the threshing. Many times I have looked at the stairs going from the lower floor to the upper floor, and I have found a pie upon every step. The housewife was preparing to make sure she had enough food when the threshers arrived. Therefore, there was no necessity of worry about the amount of money spent for the threshing bill, because one neighbor helped another. But no neighbor now does that. The wheat farmer depends upon a combine coming to his place, or he must own his own combine. Regardless of how it is done, hired labor is necessary, and it must be hired at rather high rates. So I should say the inclusion of hired labor has been made more urgent by the development of mechanization on the farm. Any farmer who is now operating knows that labor is expensive, and that he is not able to operate as he once did when the farmers traded a great deal of the labor.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. Following up the discussion between the majority leader the Senator from Illinois [Mr. Lucas] and the able Senator from New Mexico [Mr. ANDERSON], I should like to comment merely in this respect, that if hired labor is included in the parity formula, at the stage of high labor cost, it may likewise affect the producer's parity figures drastically in depressed eras when the prices are low and when wages are low, since a cut would be necessary in the parity

formula, to the extent that it is increased at the present time. If the increase is 6 percent now, there may be a decrease of 4, 5, or 6 percent in the parity formula in depressed times.

The philosophy and thought on the part of agricultural economists has been that under the inflationary prices it would be better not to have labor costs included; it would be better to have that credit when depressed conditions and prices may again visit the land. There have been many arguments, some of them rather intelligent and sound, advanced on the question of whether farm labor should be included in the parity formula.

Mr. ANDERSON. If I may reply to the Senator at that point, I regret I do not have the table in front of me, but I assure the Senator I know what is in the table. We made a study going back some 35 years—40 years, as I remember it; at least 30 years—to see what effect the inclusion of hired labor would have had upon the parity formula during all those years. It would have added several points during the periods of high prosperity, the present period being the highest of all. It is true that in periods of depression it would have dropped, but at no time would it have taken away more than 1 percent, and in most of the years it would have changed it only 1 or 2 percent. It does give an opportunity, however, as years go by, to adjust the parity formula and the various weights that enter into it, if agriculture continues to become more and more mechanized as now threatens to be the case in this country. So I assure the Senator that, while it is true the formula would drop in periods of depression, an analysis of the weights over a long period of years, did not reveal a single year in which it would drop more than 1 percent.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Under the argument of some of the farm organizations and others, if labor prices were reduced it would have a tendency to reduce the support levels. I doubt if we can make any comparison with the past in this respect. Labor is now so highly organized that I think there is small chance of farm labor cost ever going down very much. I believe another way could be found to readjust the parity formula to reflect to better relationship. As a wheat farmer, I am certainly not happy about what the formula does to wheat. For example, full parity under the Anderson formula on wheat, is \$1.90 a bushel. Our present program calls for \$2.15 a bushel. I am speaking of full parity now. Wheat takes a harder rap than any other farm commodity. In fact, dairy products and different other products, pork and many others, are raised under the new formula.

Mr. ANDERSON. I grant that, but I only say the thinking, certainly, behind the belief that it is not wholly bad, was that it does raise the prices of the commodities which I think contribute most toward the finest type of agriculture. There is no better agriculture for our country than dairying if an impetus were given to dairy products. There is nothing that can be more damaging to us

than if we always hold to row crops such as corn, without the intervening periods when we might be able to bring in other commodities.

Mr. YOUNG. Mr. President, will the Senator yield for one more question?

Mr. ANDERSON. I yield.

Mr. YOUNG. I think the Senator from New Mexico agrees with me the 4.2 percent weight which farm machinery is given in all these formulas is far too low for wheat producers.

Mr. ANDERSON. I not only agree with the Senator but I went to the Department of Agriculture and pointed out to them in a hearing that I thought the Senator from North Dakota was right; that we had far too low a weight for farm machinery for a wheat farmer. There was a time when a binder was all he really needed for the wheat harvest once he had sown the grain. But that situation does not apply now when thousands of dollars' worth of heavy machinery is needed. One of the reasons for my saying the inclusion of hired labor may not work out exactly as we have contemplated is that when we come to review the weightings the very thing the Senator from North Dakota has mentioned will come into play, namely, there will be a review of how much the machinery ought to cost that ought to be on a large wheat farm. It will be found to be far above 4 percent.

Mr. YOUNG. The Secretary of Agriculture has discretionary powers to change that weighting if he wants to, has he not?

Mr. ANDERSON. Yes; and I think he should.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. The Senator from New Mexico no doubt recalls that during the war the House adopted, perhaps twice, an amendment to require labor to be included in computing the parity formula. The Senator from New Mexico will recall that the administration was very much opposed to that. The OPA Director estimated that it would add 10 percent to the ceiling price and would be inflationary, increasing the cost of living. At the same time the inclusion of farm labor was supported by the Farm Bureau Federation. An official of that organization called on me today and asked me to vote for an amendment which would take that provision out of the pending bill. I said, "How do you explain your change of position, and how am I to explain my change of position, because the first time you asked me about it I said it would be inflationary, and I voted against it. The next time you asked me I said the Office of Price Administration had not, in my opinion, carried out the promise to control wages, and the farmer was getting it in the neck on prices."

He said, "When the Farm Bureau Federation supported that position it was with a view to the ceiling prices fixed by OPA which were based upon the parity formula, and in order to give the farmer at that time a proper basis with respect to the prices he paid for the items he bought it was necessary to include labor."

He said, "But now you are dealing with support prices, and while for the moment the inclusion of labor would bring about slightly higher support prices, the Farm Bureau Federation feels that in the long run it would be detrimental to the farmer, because he anticipated that farm labor costs would eventually fall, and when that should happen they might fall enough to reduce the support-price formula."

He also made this interesting observation, for whatever it may be worth. He said he was a little disturbed over the fact that the American Federation of Labor was actively behind this amendment and had accompanied it with a resolution providing that the Government should control the wages paid agricultural workers. There are only two ways by which the Government could do that. One would be to put agricultural workers under the wage-and-hour law, which we debated pretty thoroughly recently and decided we did not want to do. The other would be to make the Walsh-Healey Act apply to farm products when the Government bought them through the Commodity Credit Corporation. Then the farmer could sell to the Government, and the Government could apply the wage scale to anyone selling to the Government, just as is done on contracts above \$10,000 for industrial products under the Walsh-Healey Act.

I have made no commitment, but I shall be very glad if, before the debate is concluded, we thoroughly explore the pros and cons of this subject. I was glad to hear the majority leader indicate some doubt about the soundness of this item, and he indicated, I believe, the possibility that he might offer an amendment to take this provision out of the bill. It is an issue which may lead into serious consequences in the future.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I promised to yield to the Senator from Vermont.

Mr. AIKEN. If the Senator will yield, I should like to comment on the statement made by the Senator from North Dakota [Mr. Young] in which he stated that the modernized parity formula incorporated in the 1948 act, and which is continued on almost the same basis in the Anderson bill, raps wheat pretty hard. The fact is that the formula does not rap any commodity hard. It puts each in proper relationship to the others. It takes from wheat some of the advantages which for a number of years wheat has had over other commodities. The cost of producing wheat has not increased, as I understand, to the same extent as has the cost of producing other commodities. That is borne out by the statistics furnished by the Department of Agriculture for last year. Under the old parity formula, the parity for wheat last year was approximately \$2.20 a bushel. The support price is approximately \$2 a bushel, and the average cost of production was \$1.34 a bushel. I do not think there is any other commodity which enjoyed such a guaranty of cost-plus profit. I am not sure about that, but I do not think there was any other commodity which enjoyed greater ad-

vantages than did wheat. Why should we continue those advantages which one commodity has over another commodity?

The manner of producing wheat has been almost completely revolutionized in the past 40 years. I do not see how there is anything unfair in this modernized parity formula. It certainly would be unfair to continue giving commodities special advantages over the other approximately 150 commodities. Wheat will be reduced approximately 5 percent this year. Whether that reduction will continue until it is reduced approximately 15 or 18 percent remains to be seen. It depends on conditions. But certainly other crops, such as fruits, tobacco, soybeans, and so forth ought not to be penalized in order to give producers of one commodity a particular advantage.

One other point which probably should be made is this: The total cost for producing a crop is 100 percent. When we give farm labor a weighting, and keep it within the 100 percent, we simply have to adjust the weightings of other costs, including farm machinery, taxes, insurance, and so forth. So, in giving farm labor a weighting we shall simply have to reduce the weighting given other cost factors.

Mr. ANDERSON. I believe we all recognize the fact that in bringing anything into adjustment we are bound seemingly to hurt certain commodities. But the parity formula was not modernized with the intent of hurting wheat or the wheat farmers; it was intended to bring commodities into proper relationship, and if it did result in some injury to wheat, it was perhaps because wheat had enjoyed a position of preference for a while.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Because a farmer on practically free land in Montana can raise wheat cheaply, it does not follow that all farmers generally can raise wheat cheaply. I received a table from the Department of Agriculture last week indicating a steady rise in costs. In 1946, in Ohio, Indiana, and Michigan, the cost was \$1.62 per bushel. The lowest producing area for 1946 was Nebraska, Kansas, and Texas which had a per bushel cost of \$1.34 and the cost has risen sharply since. In fact there has been a steady increase in cost according to the Department of Agriculture for many years.

So I disagree completely with the statement made by the Senator from Vermont. If he would come out to North Dakota and raise wheat alongside of me, I think he would change his view.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PEPPER. I should like to make a brief observation on the matter of the inclusion of out-of-pocket wage payments in the parity price. The Senate will recall that in 1946, when it was considering the minimum wage bill, at the instance of the junior Senator from Georgia [Mr. Russell] the so-called Pace amendment was incorporated in the minimum wage bill, and there were included in the parity

formula the out-of-pocket wages paid by the farmer. As was stated by the Senator from Virginia, the Farm Bureau at that time opposed the inclusion of out-of-pocket wages in the formula, and the able Senator from New Mexico, if I remember correctly, then the distinguished Secretary of Agriculture, agreed in that view. However, since that time no doubt the Senator has found justification for a different point of view, and I am inclined to agree with him that out-of-pocket charges for labor on the part of the farmers should be included in the parity formula.

I think the postulate of the past has been that labor costs would fall down to a very low level, and the farmer would have his parity diminished when labor costs did fall. I think we must not anticipate and should not contemplate that farm labor costs should fall. For myself, I am not willing indefinitely to endorse support prices for the agricultural proprietor and see wages fall, with no kind of protection for the farm worker. It seems to me that in this matter we should have some regard for the men and women who make their living as farm laborers, as well as for the proprietor, who has his important place in the picture.

Mr. President, in our recent hearings with respect to minimum wages quite a determined effort was made by the advocates of the farm laborer to protect them by a floor, in other words, given a minimum wage. If the figures are wrong, I should like to have them corrected by the Senator from New Mexico, who has been more actively engaged in this study than I have been, but I think the figures show that about one-tenth of the farmers produce in value about 50 percent of the farm products of the country. So in many respects there is big business on the farm. There are big corporate farms. There are many of them in the State represented by my distinguished colleague and myself, where for all practical purposes the farm proprietor is just like any other big corporation engaged in a corporate enterprise.

I am not in any sense of the word opposed to that, but in the case of sugar, as the Senator from New Mexico will recall, because the sugar producer does get certain benefit payments from the Government, the Secretary of Agriculture has something to say about the wages the workers in that enterprise receive, and quite properly so, because the proprietors receive public benefits.

I merely say that I think the decision arrived at by the committee on this question is correct, but I am projecting my vision into the future, anticipating that the time is not so far distant when we shall have to give consideration to a floor for wages of the workers, at least in the large farm enterprises, which have corporate character, and the economic strength to pass a decent wage level on to the consuming public.

I merely wanted to make this observation.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. I am very happy that the distinguished senior Senator from Florida has made this statement, because I was in some doubt, when I talked with a representative this morning of the Farm Bureau Federation, as to whether a serious move was on foot to organize in unions and have Government control of farm workers. We now have the issue definitely presented to us that this is a part of such a program as is presented.

Mr. PEPPER. Mr. President, will the Senator from New Mexico further yield?

Mr. ANDERSON. I yield to the Senator from Florida.

Mr. PEPPER. I do not want the Senator to interpret anything I said to indicate that anyone I know of is suggesting Government control of the farm workers. I merely spoke about the possibility of a minimum wage, some time or other, for the workers engaged on the large farms. I am speaking only about a floor, not about any regimentation, the same kind of a floor for the farm worker that we voted recently for the agricultural worker, even in some instances the worker engaged in the processing of agricultural commodities, if it is done off the farm and by somebody other than the farmer.

Mr. ANDERSON. I have been interested in the inclusion of farm labor costs for a long time, as the Senator knows, but, as was pointed out, I was against the inclusion of these costs on the part of those in the controlled economy. If we had changed the parity formula on each of the products, it would have started a change in living costs, and thrown out of kilter the wage agreement, which was at that time frozen, but the problem was then wholly different from what it is at the present time.

Mr. SCHOEPPPEL. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. Since some reference was made to the advantage the farmers have been receiving in the parity payments under the program over a number of years, I should like to ask the Senator about how many years the Senator from New Mexico thinks the farmers have enjoyed such an advantage. Has it been confined only to the war years, or was it before that?

Mr. ANDERSON. I do not know exactly what the Senator means, but I may say to him that the farmer has never, in my opinion, enjoyed any real advantage because of the operation of the parity formula. He has enjoyed protection. I think the most important single thing support prices do is to prevent the dumping of agricultural commodities at the harvest period. One can imagine what it would be like if all automobiles came off the assembly line in March or September, and no automobiles could be sold except at those periods. Everyone would be attempting to move the entire stock of automobiles, and the buyers would be in good shape. The farmer faces that very condition. He harvests his crops at certain specific periods, and in nearly all the cases they move to the elevators at that time. If there is a floor under the

general level, then he does not fear a too-rapid decline in a certain period, but has a chance to bring about an orderly marketing of his crops. It seems to me the greatest benefit of the formula has been in the orderly marketing of crops.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I should like to ask the Senator from New Mexico one further question. Does the Senator from New Mexico think that the percentage allowed on farm machinery is adequate, under all considerations, in view of the price increases which have been apparent in the machinery field?

Mr. ANDERSON. I am not sure it is, but I would say to the Senator that if we should find it was not, we could not just add that on. As the Senator from Vermont very well pointed out, it would compress certain other items. We must still stay to 100 percent, and if the parity formula should be too low in the case of one item, we could not raise the general parity formula, but would have to compress certain other items to change the total. The inclusion of the wage costs makes a difference in the parity formula, not because it adds anything, but because of the inclusion. We include an item which has gone up nearly 400 percent since 1914. Wage costs in agriculture have been rising, in the case of some farmers, as the junior Senator from North Dakota has found where wheat was produced in his area, and it has been the rise in labor costs that has complicated the picture in many parts of the country. Farm machinery has increased in cost, but it has not increased comparably to the increase in farm wages. That is the one thing which has been causing trouble, and in my opinion it will continue to cause trouble as mechanization grows.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the majority leader.

Mr. LUCAS. I desire to make an observation in reply to what the Senator from Florida said with respect to the labor costs being included in the parity formula as an aid to the man working on the farm. In my judgment the working man will get very little if any benefit as a result of including labor as a factor. It will merely increase what the farmer will receive for his product. If a man who is working for the farmer is able to convince his employer, as a result of this formula, that he is entitled to more wages, he will be a very lucky man, in my opinion. There is nothing in this bill which directly benefits the agricultural worker himself. I think that should be made clear. This proposal is merely something which is going to help increase the price of the commodity the farmer is producing at the present time, and nothing more, unless by some means the man who works for the farmer can convince him that, as the result of this program he is entitled to a little more money. That is a remote possibility.

While I am speaking I should like to make one other statement with respect to labor. I think Members of the Senate know I am fairly close to responsible labor leaders in the United States. Not a single labor leader has contacted the majority leader with respect to either the farm bill, as reported by the Senate Committee on Agriculture and Forestry, or the parity formula, with respect to including labor as a factor in the formula. If labor leaders were very much interested, I believe they would not proceed through the Farm Bureau and in that manner have their views reach the floor of the Senate. I believe if they were interested in this matter they would come directly to the Senator from Illinois.

Mr. ANDERSON. I thank the Senator from Illinois for his statement.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ROBERTSON. In connection with the comment of the junior Senator from Kansas [Mr. SCHOEPPPEL] about farm machinery and other things farmers buy, I was interested in learning last week from the Bureau of Agricultural Economics that the wholesale price of farm products this year had fallen 18 percent, while the wholesale price of the items he buys had fallen only 6 percent. The Bureau of Agricultural Economics also advises me that in 1948, which was practically a peak year, including Government payments, the income of the farm group, which we are generally told is 20 percent of the population, was 10.5 percent of the total national income. For the 1935-39 period the percentage was 9.4 percent.

We frequently hear it said that during the war and since the war the farmers have been profiteers. That is not true. They have received on the average only one-half the cash income the nonfarmer group has received. And but for the price-support program we would no doubt have had a repetition of the postwar deflation of 1920, when farm prices fell 56 percent, and soon dragged down industrial prices by 44 percent, and we were in a depression.

Mr. ANDERSON. Mr. President, I may say to the Senator from Virginia that out of the anxiety and his care which I know he has for agricultural income, he can help me retain in the bill the provision for farm wage rates, which will hold such income to a very decent level.

Mr. AIKEN rose.

Mr. PEPPER. Mr. President, will the Senator from Vermont permit me to ask the Senator from New Mexico to yield first?

Mr. AIKEN. Certainly.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. PEPPER. I desire to corroborate what was said by the distinguished majority leader, because I, too, am pretty close to the labor leaders of the country. But I do not want anybody to interpret what I said, speaking for myself, as containing any representation that the labor leaders have contacted me directly or indirectly in support of the inclusion of

farm labor in the parity price. I do not want anybody on the Senate floor who may not be disposed to follow the recommendations of the labor leaders, to discover in this proposal any unseen hand of others or to draw any such inference from anything I have said which was an expression of my individual views.

Mr. ROBERTSON. Mr. President, will the Senator from New Mexico yield to me for a question that can be relayed to the senior Senator from Florida?

Mr. ANDERSON. I yield.

Mr. ROBERTSON. The Senator from Virginia did not directly or indirectly refer to any unseen hand. I merely said that an official of the Farm Bureau Federation today told me that the American Federation of Labor had officially endorsed this provision of the bill. Is or is not that true?

Mr. PEPPER. I may say to the Senator that I am not informed upon the subject, and I am not able to give him any other information.

Mr. ANDERSON. If the American Federation of Labor ever endorsed the inclusion of wage rates they kept it a secret from me, and, so far as I know, from every other member of the committee.

I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to point out, before the Members of the Senate make up their minds, and before they vote for inclusion of the cost of labor in the parity formula, or do not so vote, that the inclusion of the cost of labor in the parity formula will not affect the commodity which is produced largely by hand labor to a greater degree than it will the commodity which is produced through complete mechanization of the farm. The Senator from New Mexico has pointed out that the cost of farm labor has increased from 350 to 400 percent since 1939. When this tremendous cost of farm labor is included or given a weighting in a parity formula somewhere from 5½ percent to 6 percent is added to the value of all farm commodities as of today. That means that the farmer who has converted almost entirely to mechanization would receive the 6-percent increase in the parity value of his commodities.

It also means that the farmer who produces his commodities by hand, such as the fruit grower, the poultryman, and the dairy farmer, would also receive exactly the same increase in the parity value of his commodities, percentage-wise speaking, as the producer, the farmer, who during the past 20 years has largely done away with hand labor, and is producing his crop almost wholly by machinery.

To that extent there would be a discrepancy created which would be greatly to the advantage of the mechanized farm, and, we might almost say, to the detriment of those farmers who still produce their crops by means of hand labor.

Mr. ANDERSON. I thank the Senator from Vermont. I am going to skip on, if I may.

Mr. ECTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McMahon in the chair). Does the Senator from New Mexico yield to the Senator from Montana?

Mr. ANDERSON. I yield.

Mr. ECTON. Before he continues, I should like to have the distinguished former Secretary of Agriculture, who now is a very able colleague in the United States Senate, clear up a little point which causes me much mental grief when I think of it. I will say to the Senator from New Mexico that I cannot understand why it is necessary to quibble over whether one farmer should have his labor costs figured in his parity formula or whether he should not. I have always understood parity to mean equality between the agricultural producer and the industrial producer. We have tried to work out a formula whereby the agricultural producer could purchase as much of commodities and goods in the market as the industrial producer could in a certain period which was presumed to be favorable to the purchaser.

Mr. ANDERSON. The Senator is absolutely correct; with this—

Mr. ECTON. So I cannot see why it is necessary to wonder what is favorable to one and unfavorable to another. The agricultural producer is an agricultural producer and the industrial producer is an industrial producer.

Mr. ANDERSON. No; I think there has been a change in the manner in which agriculture is now conducted. What I am trying to say is that parity is a relationship between what the farmer sells his product for and the cost of the things he has to buy. There was a time in American agriculture—and 1909 was almost a part of that period—when he bought very little agricultural labor. Now he buys a great deal of agricultural labor, and therefore it is more appropriate to include higher labor costs than it was in the beginning. That is the only point I am trying to make.

Mr. ECTON. I agree with the Senator.

Mr. ANDERSON. Conditions have changed. We cannot say that just because we did not include agricultural labor in 1930, we must exclude it in 1950. Dairying operations, for example, have entirely changed; and the same is true of other farming operations. There has been a change in the amount of hired labor. The Senator from Montana knows very well that there was a time when a man who did not set his own eggs and hatch his own chickens was regarded as a lazy man. That is not true today?

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. Twenty or twenty-five years ago one could go into almost any farmyard in the spring of the year and find the housewife setting anywhere from 5 to 30 or 40 hens at a time. Now it is a matter of going to the commercial hatchery and buying the baby chicks, which is an absolute cash outlay for services which the farmer's wife formerly rendered in the farmyard.

Mr. ANDERSON. I used that only as an example, to show how conditions have

changed. In my opinion the inclusion of hired farm labor becomes necessary with the change in mechanization. There was a time when a man who operated a dairy milked his own cows or had a hired man who did the milking, and who received \$30 a month. That condition has entirely changed. Now a farmer must have a milking parlor, or certainly milking machines. He employs higher types of labor, and they draw much higher salaries than farm labor ever did before.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ECTON. Whether a farmer hires the work done, or whether his son does it, or whether he himself or some other member of the family performs the work, should not that member of the family receive for his services an amount equal to what an outsider would be paid?

Mr. ANDERSON. That starts anew the argument on the inclusion of all farm labor. We are talking about the things the farmer buys. We are trying to establish a proper relationship between the things the farmer buys and the things he sells. When he hires labor, that scale comes into the picture.

Mr. ECTON. Mr. President, I should like to ask one further question.

Mr. ANDERSON. I am delighted to have the Senator do so, because I think we will get further by means of questions than if we tried to proceed without them.

Mr. ECTON. I wonder if the Senator would agree with me that to some extent this type of legislation is misnamed, in that it is always designated as a bill for the farmers, when in reality it is a bill for the general welfare of the entire country. I wonder if the Senator agrees with me that the only justification for this so-called farm bill is to bolster up and hold up our entire national economy, including not only industrial prices, but wages which labor receives from industry, as well as the wages of labor on the farms.

Mr. ANDERSON. I thoroughly agree with the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. I agree with what the Senator from Montana has said, but I think there is a little danger in using the expression "general welfare." He had better watch that pretty closely. There may be serious objection to that phrase on the part of some.

Mr. ECTON. I do not mean statism.

Mr. LUCAS. There is a serious question as to what is welfare and what is statism.

Mr. ANDERSON. Mr. President, I am not going to let the Senator from Illinois get me into a discussion of welfare and statism in connection with a discussion of the farm program.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Chapman in the chair). Does the Senator from New Mexico yield to the Senator from South Dakota?

Mr. ANDERSON. I yield.

Mr. MUNDT. In connection with the discussion as to what the inclusion of labor does to the farm program, it seems to me that there is general agreement that if we increase the parity value 5 or 6 percent, we meet the situation which the Senator from Montana has been discussing. This bill gives recognition to the farmer and his family who do the work on the farm. They are entitled to some pay for their labor. It brings them additional income for their products.

Mr. ANDERSON. I think it does. I want to say to the Senator from South Dakota that I try to be fair in these answers. The matter of the inclusion of all farm labor is a much-discussed problem, and which some of us are not in agreement with others, who are just as sincere as we are. At this time, at least, I do not believe in the inclusion of all farm labor, but I have felt, just as the Senator from South Dakota has pointed out, that if one man hires work done, and the parity formula is raised to that extent, the family which does the work itself benefits because of that increase in price.

Mr. MUNDT. It is correct, is it not, that the inclusion of labor, as provided in the bill, will mean an increase of 5 or 6 percent in the parity value?

Mr. ANDERSON. That is true.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. I should like to make one further observation with respect to the last question propounded and answered. We can talk all we like about getting different factors into the formula; but if the price of labor were not high at the present time there would be no one advocating that labor be included as a part of the parity formula.

Mr. ANDERSON. That is true; and if living costs were not high, there would not be any postal increase bill.

Mr. LUCAS. I understand that; but it seems to me that we had better be fair with the people of the country and admit, without any quivocation, that the real reason we are including farm labor as a part of parity is to raise the prices of farm commodities. That presents a serious question so far as parity prices are concerned. We have had a farm program for a long time. I want to keep the farm program going. I do not want to see the basic structure of it struck down, and I do not think this bill will do it. But there is always an attempt to get just a little more for this particular product or that particular product. So long as the Government continues to subsidize just a little more this particular group or that particular group, which grows this commodity or that commodity, what I have said applies. I fear that sooner or later, if we continue raising the level of supports, the great farm program dealing with the basic commodities may finally break down. This is only a small factor pointing in that direction. The point of it is that it raises the price of the commodity. Perhaps that is a good thing.

Mr. ROBERTSON. Mr. President, will the Senator yield to me in order to clear up an issue which he and I previously discussed.

Mr. ANDERSON. I yield.

Mr. ROBERTSON. The distinguished Senator from New Mexico said that he was not aware of the position of the American Federation of Labor on this part of his bill.

Mr. ANDERSON. That is correct.

Mr. ROBERTSON. I read from page 152 of the printed hearings on the Senator's bill:

STATEMENT FILED BY THE AMERICAN FEDERATION
OF LABOR

To: The Senate Committee on Agriculture.
On: Including costs of hired farm labor in the parity price index.

Mr. Chairman and members of the committee, your committee is considering legislation to stabilize prices of agricultural commodities. Among the matters recommended by your subcommittee is a proposal to redefine the parity price index to include the costs of hired farm labor (Committee print, p. 14, lines 14-18).

The American Federation of Labor believes that the labor costs of a farm operator should be taken into account in figuring the Government guarantees of farm prices. However, the American Federation of Labor believes that it is only fair that Congress should also provide a means whereby wages paid farm workers may be set.

I interpolate that, of course, they would have to be set by the Government.

We therefore urge that the procedures for establishing a minimum wage and other conditions of employment for farm labor incorporated in the present Sugar Control Act be extended to all agricultural products on which the Government guarantees the farmer a fair price under the parity formula.

Mr. ANDERSON. Yes. I understand that they recommend that the right to fix prices and wages be extended through other legislation. I still do not know what that has to do with the inclusion of hired labor in this section. I assume that that statement was filed with the committee, but no representative of the American Federation of Labor testified before the committee. No one has ever communicated with me in that connection.

Mr. ROBERTSON. This statement was filed with the committee and printed on the last page of the hearings. I can understand that the Senator may not have been aware of it.

Mr. ANDERSON. I was not.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JOHNSTON of South Carolina. To illustrate the complications involved in dealing with agriculture at the present time, I agree with the Senator from New Mexico when he says that the fact of machinery entering into the picture at this time is one of the great problems. I should like to quote what Secretary of Agriculture Charles F. Brannan had to say before the committee:

Back in 1929 there were only 827,000 tractors on American farms. At this time last year there were 3,250,000. In 1929 we had about 37,000 combines. Last year we had 540,000. The number of corn pickers has jumped from less than 9,000 to more than 300,000. There are only a few examples.

That illustrates how the farms are becoming mechanized at the present time.

Mr. ANDERSON. I thank the Senator. Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. What is displaced in the parity formula by the inclusion of an allowance for the wages of hired labor?

Mr. ANDERSON. I might illustrate that in this way: Previously, a number of items made up 100 percent in the parity formula. By the inclusion in that total of some allowance for wage rates—we have included it at 6 percent—we obtained a total which exceeded 100 percent. Therefore, that necessitated reducing proportionately by approximately one-sixteenth every other item in this schedule; we squeezed each one down that much.

Mr. FULBRIGHT. Is that all that the Senator contemplates will be taken off of the items previously included in the parity formula?

Mr. ANDERSON. I tried to indicate that in the process of squeezing down the various items which are to comprise the 100 percent, we include one item which has been very volatile and has moved up very rapidly; and it multiplies out times $3\frac{1}{4}$ or times 4 when it produces its results, where as some of the others multiply out only times 1 or times 2. Therefore, we have actually decreased all items by approximately 5 or 6 percent.

Mr. FULBRIGHT. As to the actual distribution of the items and the weight to be given to them, is discretion to be left entirely to the Secretary of Agriculture, under this bill?

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. Will he have the power to change the weight of the items in the formula?

Mr. ANDERSON. Yes; he will.

Mr. FULBRIGHT. At any time?

Mr. ANDERSON. Yes, at any time. But, actually, that will be done by the Bureau of Agricultural Economics; and, generally speaking, the Secretary of Agriculture would not presume to pit his judgment against the combined statistical information of the Bureau of Agricultural Economics. When I was Secretary of Agriculture, I accepted the judgment of the Bureau of Agricultural Economics, even though I did not always agree with its judgment. But I thought it was more important for us to rely on their judgment at all times, rather than for me to attempt to impose my own judgment at times.

Mr. FULBRIGHT. Has the Bureau of Agricultural Economics changed its judgment frequently or changed the formula frequently?

Mr. ANDERSON. No. As a matter of fact, they have been very slow in changing it. The last change brings it up to about 1926. The last item they dropped out was horse collars; so we can see how far they are. I know of no farmer who has bought a pad to put under a horse collar for a long time; but the Bureau of Agricultural Economics dropped out that item only last year.

Probably it has been wise for them to proceed slowly.

Mr. FULBRIGHT. One item in which I am interested in is the price of chickens. There is no means, in the parity formula, of changing the price of chickens quickly, but it is a slow process. Is that correct?

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. That is due, is it not, to the reluctance within the Department to make changes quickly?

Mr. ANDERSON. No; the price itself multiplies out; and that is why parity moves up or down as prices change. But since other prices change in about the same proportion, we do not get very much difference.

Mr. FULBRIGHT. But they do not change only a little and slowly; they change very rapidly. That was particularly true two or three years ago.

Mr. ANDERSON. I think perhaps it would be appropriate to refer at this point to the discussion we had on the price support program. In the committee hearings, at page 145, will be found a table which was inserted in that connection. It shows the commodities used for family living and the commodities used for production. Senators will observe that the commodities used for family living constitute 48.6 percent, and the commodities used for production constitute 37.4 percent.

Mr. FULBRIGHT. The wages of labor are still a large factor, of course. What is the relationship there?

Mr. ANDERSON. The Department of Agriculture takes a country-wide sampling, and then says that the result of that sampling is typical of every farmer. Of course, all of us immediately recognize that such a procedure can produce some of the most peculiar results, because the results of the sampling will not be typical at all of some types of agriculture.

Mr. FULBRIGHT. Yes.

Mr. ANDERSON. However, the immediate allowance of six percent for hired farm labor applies to all agriculture, even though some branches of agriculture may not rely very much upon hired farm labor. But there seems to be no way of arriving at a practical procedure except by saying, "Here is a general rule which will apply fairly well in all cases."

I am sure that many Senators will be surprised how well the plan here outlined fits into hundreds and hundreds of farm situations which have been examined. It is soundly based upon the studies which have been made of farming and upon the statistics which have been developed in that connection. Of course I do not trust all statistics; but, generally speaking, I think we can safely rely upon them as a rule.

Mr. MAYBANK. Mr. President, will the Senator yield? I was called away from the Chamber, to go to the telephone when the Senator from New Mexico was discussing parity prices and the inclusion of wages for farm labor with which I am in accord. I wonder whether the Senator discussed to any extent section 407 and the right of the Commodity Credit Corporation to sell farm commodities.

Mr. ANDERSON. I have not discussed it as yet.

Mr. MAYBANK. I have an amendment which I should like to offer in that connection; and when the Senator does discuss that point, I should like to ask him a few questions, if that will be agreeable to him.

Mr. ANDERSON. I should be glad to do so now.

Mr. MAYBANK. I simply wish to make certain whether, under section 407, the Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. Of course, the provisions include restrictions on byproducts, peanuts, oil seeds, and so forth.

I can appreciate the fact that since the distinguished Senator from New Mexico has served as Secretary of Agriculture, he can well understand the damage that could be done to the farmers and to the people of the United States, and private interests generally, if the Commodity Credit Corporation were able to sell any commodity which it owns or controls at any price it wishes. I ask this question: Would 90 percent of parity be all that the farmer could eventually expect to receive if he put his commodity under loan at 90 percent to the Commodity Credit Corporation, if the Commodity Credit Corporation had the power to sell that commodity at any price it wished? I think the Senator from New Mexico will agree with me, in view of his experience as Secretary of Agriculture, that the success of the Commodity Credit Corporation has been based upon the loan basis on which the farmer in selling his wheat or cotton or other commodity, to some private merchant, could sell it later at a price above the 90 percent of parity at which he had placed the commodity under loan to the Commodity Credit Corporation, and subsequently could pay out the loan and then have some surplus left for himself by selling to private interests.

Mr. ANDERSON. I say that is precisely the way we hope the Commodity Credit Corporation will continue to operate.

Mr. MAYBANK. Is it more than a hope? It is a necessity.

Mr. ANDERSON. There is nothing in this language that is intended to encourage the Department of Agriculture to depart from its former policy in that regard.

Mr. MAYBANK. Could the Department of Agriculture do so?

Mr. ANDERSON. I believe it could; yes. We had considerable discussion of that matter in the committee. We tried various devices. There was a proposal to require the Commodity Credit Corporation to sell at a price half way between the support level and 90 percent of parity or full parity. We had many discussions as to what the level might be. I suppose if anyone is at fault for writing the language the way it is, I am at fault, because I assumed that a Secretary of Agriculture would not do otherwise.

Mr. MAYBANK. I would never differ with the distinguished Senator from New Mexico as to that. I knew the Senator's feelings when he was the Secretary of

Agriculture and I knew his desire to help the farmer who put his wheat or cotton or corn under loan at 90 percent of parity, knowing he could have the opportunity to sell it later at 105 or 110 percent of parity. The farmer thus gained that benefit for himself, and at the same time kept the private businesses of the United States operating, wherever possible, which, in the end, aided the farmers.

Mr. ANDERSON. I agree with that statement entirely. We did not intend and we do not intend by this language to make it either possible or probable that the Commodity Credit Corporation may buy some commodity—for example, cotton—at 90 percent parity and then turn around, after carrying it for several months, paying carrying charges, interest, and insurance, and dump it back on the market at 90 percent. If it did that, no mill would ever buy cotton from the farmer directly. They would wait to buy it from the Commodity Credit Corporation, months later, at a lower price.

Mr. MAYBANK. That is the fear I had, because in North Carolina and South Carolina the farmer drives his wagon loaded with cotton to the cotton mill door, or at other times he may drive it to a merchandise store. If the Senator could clarify section 407 for me, I should be very appreciative. I talked to the Senator earlier this morning. I think he said he would accept an amendment, if I offered it, to include the insurance, storage, transportation and other costs to the Corporation. If such charges are not included, the farmer or the Government is going to suffer a loss on commodities of this kind.

Mr. ANDERSON. I would accept such an amendment quickly, because I know the Secretary of Agriculture will operate in that way. He will not sell the commodities below that figure.

Mr. MAYBANK. I am not questioning the intentions of the present Secretary of Agriculture.

Mr. ANDERSON. No; I refer to any Secretary of Agriculture.

Mr. MAYBANK. I am not questioning the intentions of any past Secretary of Agriculture. I merely want to make certain that under section 407 commodities are not going to be sold at a 90 percent of parity ceiling. It would, in the end, limit the farmer's income to 90 percent of parity, and do away with all the private steps in between. That is why I have asked the Senator the question.

Mr. ANDERSON. I am sure such action as the Senator fears would not be taken. I am sure the Commodity Credit Corporation has tried to operate constantly for the protection and benefit of the farmer, and we want to keep it operating in that way always.

Mr. MAYBANK. I agree with that thoroughly. I may say it was never better operated than under the distinguished former Secretary of Agriculture. But I merely want to make certain the farmers will have this protection in the future.

Mr. ANDERSON. I turn now to another section, which provides mandatory price supports for basic and non-basic commodities. We have added to the bill for the first time, whole milk and butterfat, at from 75 to 90 percent of modernized parity. I think that is

important, because, again, we have come to realize that dairy products are of tremendous importance to every farmer, and, we also recognize that the dairy farmer is a good type of farmer. The dairy farmer is certainly saving the soil. He is preserving it. I think he should be encouraged, and if he has not been encouraged, I think this section of the bill will afford encouragement. Therefore I am very glad we have added this section to the bill.

I realize there will be some controversy when we get to the subjects of shorn wool, mohair, tung nuts, and a few things of that nature. There will be amendments proposed covering these things, and, if so, we shall be glad to discuss them when the time comes. We have prepared a new list of commodities to be supported, and I think that is desirable.

I am particularly happy about one amendment in the bill. It is the provision that section 32 funds shall be used primarily for the support of certain types of perishable commodities. We have used section 32 funds for new industrial uses. We have been trying to devise new ways of using various commodities, and I think the effort has been worth while. But I believe it is also important to recognize that the producer of perishables has no fixed market for some of his commodities, if he produces them in abundance. They are highly seasonable, and it is I think extremely important that a portion of section 32 funds should hereafter be used for that purpose. It is because of that that we have tried to add it to the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield.

Mr. HOLLAND. I express my deep appreciation of the statement just made by the distinguished Senator from New Mexico, as to his view of the importance of the provision which earmarks section 32 funds primarily and preferentially for use in the field of fruits and vegetables. I believe they are described in the bill and the report as "nonbasic perishable commodities," which are not supported by a mandatory support price. I wish to say to the distinguished Senator that in my mind, this provision will go further than any other provision in the bill toward meeting the feeling of many producers in many industries in the Nation that heretofore they have been practically excluded from the program.

By the very nature of things tree crops, for instance, are not susceptible of the year-to-year control of increase in volume, or control of the actual volume produced, as are crops which are planted annually. By the very nature of things, crops which are highly perishable, such as vegetable crops, are not susceptible of being supported in the normal way because they cannot be preserved for any great period of time and therefore have to be used in their fresh state. The existence of section 32 funds in substantial amounts to be used in such ways as may be indicated as wise in the particular case, either to increase purchase of supplies for free distribution to the schools, or for many other available ob-

jectives will be the greatest safeguard and the surest anchor to winward, which could be afforded to those agricultural producers who produce fruits and vegetables which make up 9 to 10 percent, by value, of our total agricultural production.

I, for one, in setting through the committee hearings, have been deeply grateful not only to the distinguished Senator from New Mexico, who presided as chairman of the subcommittee which worked out the bill, but to those who came from areas of the Nation where basic commodities are principally produced, because they seemed to realize and recognize that the plight of those who have been engaged in the production of tree crops and vegetables has frequently been a difficult one in years behind us. I want to say gratefully speaking for the producers of that type of crops, that we are happy about the inclusion of the item which the Senator has mentioned, and we think it will make us feel that we are for the first time substantially and actually included in the far-reaching program for the protection of agriculture in the Nation. I thank the Senator.

Mr. ANDERSON. I thank the Senator from Florida, and I am happy to testify that he, along with other members of the committee, certainly showed the finest kind of cooperation in trying to prepare an agricultural bill to which we might subscribe.

I should like to call attention finally to section 412. I have heard a good deal of comment about the section recently.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Perhaps I missed something the Senator said, but I wondered whether the Senator had explained what he meant by section 410.

Mr. ANDERSON. I shall have to go back and get the original section which now applies.

Mr. WILLIAMS. Mr. President, I shall withhold the question and bring it up later, if the Senator prefers. I was wondering what effect it would have on the borrowing power of the Commodity Credit Corporation.

Mr. ANDERSON. The matter arose out of discussion the distinguished Senator from Vermont had with the budget officers of the Department of Agriculture over some of their programs.

Mr. AIKEN arose.

Mr. ANDERSON. I shall be glad to yield to the Senator from Vermont.

Mr. AIKEN. I am not satisfied with the language. I have offered an amendment to put it into proper shape. I am not satisfied with that, either, as yet. I may say section 410 amends the act of March 8, 1938, and there is a question as to whether the amendment as worded would prohibit the Commodity Credit Corporation from going way beyond the limitation of \$4,750,000,000 in obligating the Government.

Mr. ANDERSON. That was not the intention.

Mr. AIKEN. It was not so intended, was it?

Mr. ANDERSON. No; it was not so intended.

Mr. AIKEN. I am sure no member of the committee intended it that way. I am at this moment having a little research done on that. But there is a possibility that this wording, "by amending the act of March 8, 1938," instead of the Commodity Credit charter of 1948, as amended by the act of this year, would not make the old act of March 1938 the most recent legislation relating to this limitation of funds, available for the use of the Commodity Credit Corporation. And if that proved to be the fact, it would mean that, on that question, the overall effect would be—I may explain it a little more in detail later on—to raise the limitation from \$4,750,000,000 to about \$2,000,000,000 higher.

I hope to have accurate information. I do not want to say that is the purpose of the Department in asking for this amendment to the act of 1938 instead of to the CCC Charter Act of 1948, as amended by the Charter Act of 1949, but we want to make sure about it. I, for one, am willing to vote for \$5,000,000,000, \$10,000,000,000, \$15,000,000,000, or any amount necessary to enable the Commodity Credit Corporation to carry out the directions of the Congress as expressed in the legislation which we pass, but I do want that legislation to be in such shape that the Corporation shall always have to keep Congress accurately informed as to its financial standing. That is why I thank the Senator from New Mexico for giving me an opportunity to make this explanation. I hope to have it more fully accurate within a short time.

Mr. ANDERSON. I cannot believe that there was any thought of increasing the borrowing capacity of the Corporation. It was increasing its large stocks and moving them on, and sometimes it was not preparing its financial records as rapidly as it should. There is no thought of extending the borrowing capacity. I am glad to know that the Senator is working on another revision in order that we may accomplish the purpose we seek to accomplish. I should be in favor of increasing the capital stock of the Commodity Credit Corporation, but I want it done openly by the Congress.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I am glad to have the statement of the Senator that the purpose of the provision was not to permit the Commodity Credit Corporation to exceed the amount stated.

Mr. ANDERSON. It was not the intention of the committee, and it will be clarified.

Mr. AIKEN. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. AIKEN. I am sure no member of the committee intended to permit the Commodity Credit Corporation to exceed its limitations. I want to say that it has been my privilege to work with the Senator from New Mexico, and I do not think we see things very far apart in any respect as regards agricultural legislation. I certainly shall take up with him the

information which I expect to receive shortly.

Mr. ANDERSON. I thank the Senator from Vermont.

Let me say, with reference to section 412, that there seems to be a feeling that it is directed primarily against cooperatives. That is certainly not the purpose at all. The purpose was to try to find some method by which one official in the Department of Agriculture could be held responsible for moving goods which the Department takes under loan programs and to which it finally acquires title. We were discussing the case of dried eggs which had been acquired in enormous quantities. There are more than 70,000,000 pounds of them. There is no existing market for them at the present time. Manufacturers of noodles, for instance, would be glad to get these dried eggs, but the price is approximately \$1.26 a pound, and the noodle manufacturers can buy dried Chinese eggs for \$1.10 a pound. So they buy the Chinese dried eggs. That is certainly not a very wise way of handling the matter. The Senator from Oklahoma [Mr. THOMAS] proposed this amendment. He thought that some person in the Department should be responsible for moving stocks of goods, once they were acquired. It seemed desirable for the committee to call up and say, "We should like to have the Assistant Secretary appear before the committee today. We want to ask him questions." It did not seem satisfactory for someone in the Department to say "That is a matter relating to prunes. We shall have to refer the request to the fruit and vegetable branch"; or "That is a matter of cotton linters, and we shall have to refer it to the cotton branch." We did not feel it desirable to have the request referred all around. We felt that some one person should be able to say, "Yes; I know what the Commodity Credit Corporation has on hand, and I know what it is trying to do with regard to moving it."

When we got into the discussion of dried eggs the statement was made, "Plans are being developed whereby we can keep them indefinitely." I asked if it would not be better to find some way of selling them, rather than repackaging them and holding on to them forever.

If there is some other purpose in this amendment I do not know what it is. I do know it provides that commodities shall be moved from surplus areas to deficit areas. I do not think that involves anything unusual or extraordinary. We have been doing that for a long time. The Department of Agriculture has participated several times, recently, in demonstrations indicating how commodities may be moved. With reference to peaches, at one time there was a great surplus in one area and a great scarcity in another area. The peaches were moved to the great satisfaction of those people who had a surplus and those who needed the peaches.

There is no desire to establish another organization contrary to the existing organization.

I desire to make it clear that there is some declaration of legislative intent. The intention is that the Department of Agriculture shall use the accepted channels of trade in carrying out the provision.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. BUTLER. I was very much interested in the Senator's explanation of section 412. I may say that I intend to offer an amendment to eliminate that section. I shall speak at some length upon it a little later. I agree with the junior Senator from New Mexico 100 percent in what he says in his interpretation of the intent of Congress and as to how the Department should operate under section 412 if it should become a part of the law. But I personally can see no occasion for the creation of a permanent Assistant Secretary of Agriculture to do a job which the Secretary of Agriculture is already authorized to do.

Mr. ANDERSON. The Department of Agriculture has some very widespread operations. Sometimes, when I look over the list of assistant secretaries who have been granted to other departments, and realize that the Department of Agriculture has one Under Secretary and one Assistant Secretary I feel that injustice is being done that department. I think there should be an Assistant Secretary in charge of agricultural credit, one in charge of some such program as this, and certainly one who might have supervision over the far-flung responsibilities of soil conservation and water and land utilization. I shall not argue that point. I merely happen to feel that the department is badly understaffed in that particular, and we are asking individuals to carry a load which I think is more than their share.

I did want the Senate, however, to understand that this section of the bill, so far as I am concerned, is a mandate to the Secretary of Agriculture only to move commodities and not to store them forever, and that wherever it is possible to find a way of implementing the program, he should do it. If it were left to me, I think I would have added some words which I have written, but which I have not proposed, which would have made it a part of the responsibility of the Department of Agriculture to devise programs for moving commodities before they got into the hands of the Department of Agriculture. I think that would be entirely possible.

Mr. BUTLER. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. BUTLER. To my way of looking at the over-all problem, it has been the province of the established grain trade—I mean by that, the farmer cooperatives very definitely, because they are a large percentage of the merchandising system of the country today and that is well understood in all channels, so that my remark is not intended to depreciate the great ability and great service they have rendered—but the farm cooperatives, along with the privately operated companies, be they incorporated or operated by individuals, have been, over the years, free to distribute from surplus areas to areas which are in short supply. I cannot see, for the life of me, how anyone could be selected to operate in the capacity of Assistant Secretary of Agriculture and attempt to do a job which has been learned through a lifetime of experience by men who are operating co-

operatives as well as individual companies.

Mr. ANDERSON. I am sure that when the Senator presents his amendment, the distinguished chairman of the full committee, the Senator from Oklahoma [Mr. THOMAS], the author of this particular section, will be anxious to hear it explained, and to discuss it.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. ANDERSON. I yield.

Mr. LUCAS. I wish to confirm what the Senator has said. As I recall, in the hearings before the Committee on Agriculture and Forestry the question of interfering with the cooperatives in their operations was never mentioned. As I recall, there was no thought of any injury. I certainly would like to listen to the reply of the Senator from New Mexico to the Senator from Oklahoma on that question.

I should like now to turn to section 101 of the bill. That section provides:

The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 percent of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows—

Then follow tables on page 2. What I should like to know is whether or not the Secretary of Agriculture is compelled to follow the tables, under the broad language of section 101, or can he ignore the tables?

Mr. ANDERSON. The answer to that I think would be the same as to the question about the particular section in the so-called Aiken bill. The Secretary of Agriculture is given a range. He must support these commodities at some point between 90 percent, which is the top, and the figures in this table, which are the bottom. He has discretion to decide what figure he will choose between those figures. He could make use of these tables if he felt impelled to do so. I think it is clearly understood, from the discussion, that he would have to find, in his own mind, at least, a good reason why he should deviate from the tables in case he wished to do so. He is not required to live up to them at all.

Mr. LUCAS. I will say to the Senator frankly that that has always disturbed me. When the distinguished Senator says that the Secretary of Agriculture can ignore these tables if necessary, and support every commodity at 90 percent if he so desires, it seems to me we give him power and discretion to which he is really not entitled. If he can do that, we have practically the Gore bill, have we not? Am I correct in that?

Mr. ANDERSON. No; in the Gore bill he is tied to 90 percent. In the case of eggs under the Gore bill, he would have to stay at 90 percent, and he would have to stay at 90 percent even though he knew it would cost the Government \$200,000,000. But eggs would be in another section. I do think it is necessary

that the Secretary have a right to set the figures at various levels. It might develop that there was a possibility of a large output of a certain crop, and he might find he wanted to put it down in the scale. I am willing to trust the ordinary Secretary of Agriculture to administer the law within that framework, feeling sure that wherever possible he will make use of the tables, but that when he is convinced he should not use the tables, he will lift the price to some other figure.

Mr. LUCAS. I am willing to trust the Secretary of Agriculture also, and it was always a question in my mind what the value of the tables was.

Mr. ANDERSON. The value is that they indicate to the Secretary an indication that when supplies are extremely good, the price level can be dropped, and if the condition does not correct itself, he certainly would hold to the lower levels set forth in the price tables. But many times he might want to say, "I know it calls for putting the level at 86 percent, but I think 90 percent will serve just as well, and will accomplish the purpose." He has to reach that decision if he deviates from the tables.

Mr. LUCAS. The tables will have some effect, or should have some effect, in the making of his decisions. It would have to be an unusual case that would cause him to deviate from the tables.

Mr. ANDERSON. That is correct. He should have a very clear explanation, to himself and I think to the public, as to why he departs from the tables.

Mr. LUCAS. I should like to ask the Senator a question with respect to the tables. In table (a) I find this language:

For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:

Not more than 102.

Then we come down to the second part of the table, and we find this:

For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:

Not more than 108.

I wish the Senator would explain to the Senate why cotton and peanuts are in a different category, and get an advantage over tobacco, corn, wheat, and rice, as a result of this other table, providing the Secretary follows the table.

Mr. ANDERSON. I think I can explain it for cotton more easily than for peanuts. The cotton supply has not been as fluctuating as the supplies of many other commodities. Cotton is not a product which can be diverted on the farm. The Senator will recognize that a farmer can very quickly change the supply table as to corn or wheat by merely moving it to a spot and feeding it to animals at a later date, and reporting that that is not on the farm. He cannot do that with cotton. It is moved to the gin, and we know how many bales there are in the country. We are not sure how much corn, wheat, or rice there is. Tobacco is added to the table merely in case quotas are asked for. Whenever quotas are asked for, tobacco remains at 90 percent or zero. It cannot be between.

Mr. LUCAS. That is the present law,

Mr. ANDERSON. That is the present law, and that provision will be in the proposed law. But tobacco is moved in case there is a year in which quotas are not asked for. I cannot imagine there will be a year when they are not asked for, but if there were such a year, there would be a table applicable.

As to cotton, I feel, and I am sure others feel, that cotton will move to a percentage of 108 before quotas are put on it.

The situation is somewhat different as to peanuts, but the peanut program has been in operation for a long time, and I have hope that it again will be brought back into better relationship to actual supply than at the present time. At present there is a much greater production of peanuts than is needed.

Mr. LUCAS. Mr. President, I am glad to have the explanation, because I do not want any one commodity in the program getting any preferred benefit over another commodity. I think the bill should be written so that every commodity would get its just share with respect to support prices on a parity basis. If cotton and peanuts belong with tobacco, corn, and wheat, that is where I want them. If, as the Senator has explained, there is a real, basic reason for cotton being down where it is, in this separate category, and getting that advantage, I am willing to go along with that. If the producers of peanuts can make the same kind of an argument, I wish to go along with it also, but if they cannot, I want peanuts put back where they belong, with cotton, wheat, and rice.

The peanut situation in my section of the country is pretty serious so far as candy makers are concerned. Peanuts are pretty high in price. Instead of putting one peanut in the Hershey bar, the candy makers would like to put two in if they could. That is the truth of the matter. I could not quite understand why peanuts were down with cotton. We have tobacco, corn, wheat, and rice in another category. In other words, these commodities are taking the worst of it, so far as these tables are concerned. That is why I went into the original question with the distinguished Senator, as to whether or not the Secretary of Agriculture, irrespective of these tables, would have a right, for instance, to support all these prices at 90 percent, and the Senator says he would. Yet at the same time the Senator says he should adhere to these tables unless there is a very unusual or extraordinary situation.

Mr. ANDERSON. Mr. President, I shall go back to cotton. I think there is a vast difference between the cotton program and the program as to corn and wheat. I believe we will all recognize that the cotton program has been more effective in its limitation of acreage and its limitation of production than is the program affecting wheat and corn.

Mr. LUCAS. The Senator is absolutely correct in that.

Mr. ANDERSON. Therefore, merely because the cotton producers had more effective operating programs, they were allowed some leeway before the program started. I regret that I cannot give the Senator a better explanation, but to me

that is a practical explanation. In the case of cotton there are work programs which are effective. The farmers know how to measure their acreage. They measure it accurately year by year. A record of such measurements has been kept. Because of that I felt that with respect to cotton we could start at a different jumping-off place than with respect to other commodities about which we do not have such an accurate history in the planting program.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I agree thoroughly with what the Senator from Illinois has just pointed out, namely, that we should work out a farm program which would place all agricultural commodities on a basis of equality. The Senator just pointed out how peanuts and cotton were set aside in a special group and given preferential treatment.

I desire to call attention to the fact that corn, wheat, and rice are also given preferential treatment over other commodities in that they are guaranteed 90 per cent over the next 12 months, along with cotton and peanuts, whereas the other commodities were placed in a flexible program.

I want to go further than did the Senator from Illinois, and ask why this preferential treatment is given to corn, wheat, and rice, or any commodities? Why not put the whole flexible program into effect on January 1?

Mr. LUCAS. Apparently the Senator from Delaware is for the Gore bill.

Mr. WILLIAMS. No; I am not for the Gore bill. Why not put the flexible provision into effect now? The Gore bill projects the 90-percent formula for another 12 months. The Anderson bill is for projecting the 90-percent formula for another on certain commodities only. I feel that the time has come when we should recognize the 90-percent formula is unrealistic and should be lowered.

Mr. ANDERSON. Actually the provision of 90 percent on the first year of limitations applies to cotton, wheat, and corn. It does not apply to rice because there probably will not be quotas on rice. It does not apply to peanuts and tobacco.

Mr. WILLIAMS. Is it not true that the pending bill projects the same support level for the next fiscal year on cotton, wheat, and corn as does the Gore bill?

Mr. ANDERSON. Yes, if quotas be put on, and I assume they will be; that is true. But I want to give an explanation as to cotton, for example, and I think the same explanation will apply straight through to all other commodities. For a long time we have had on the statute books a provision that cotton should have a minimum of about 27,500,000 acres. That is not the way it was stated in the law. The law said there should be a certain base, and then there were certain so-called gadgets which provided that a man who had a certain acreage could not have his acreage cut; so the Solicitor of the Department of Agriculture has steadily advised that the minimum acreage that could be had for cotton was about 27,500,000 acres.

This year the Congress of the United States passed a law which drops that down to 22,500,000 acres as a base, and then goes beyond that and provides that if it is necessary to cut further the cut can be made on a horizontal basis. So next year the base for cotton will be 21,000,000 acres. That is a reduction of more than 6,000,000 acres for cotton acreage, which means a very substantial reduction in bales. It probably will result in reducing the number of bales 4,000,000 in the total crop of next year. That means that something in the neighborhood of from \$300,000,000 to \$400,000,000 will have been taken out of cotton income. If it is dropped again down to the level that is indicated, it will result in the reduction of another \$175,000,000.

We really felt that a blow of \$400,000,000 reduction to the cotton farmer in 1 year was enough; that there might be another reduction of \$175,000,000 or \$200,000,000 the next year, and then a further reduction in the next year as acreage is reduced, and as this provisional parity is permitted to apply, and then finally bring down the cotton category, to be sure, but gradually, and not all in one chunk. The same thing applies to other commodities, but I think the case of cotton illustrates the situation perfectly well.

Peanuts are another gamble. A peanut-acreage reduction from 2,700,000 acres to 2,100,000 acres may come about next year. That represents a substantial reduction in income. While I admit that it could in justice be said that it was desired to slash the cotton farmer's acreage and put him exactly on a parity with everyone else, a reduction in income of from \$800,000,000 to \$1,000,000,000 in 1 year is not, in my opinion, wise. I think we should go at it a little more carefully.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I want to point out to the Senator from New Mexico that when the Aiken-Hope bill was passed the same argument was used. That projected the 90 percent through another year as stated then for the purpose of allowing the farmers 1 year to readjust themselves. How do we know that 12 months from now the cotton growers will not find themselves in the same position, and that they will then ask another extension of the 90-percent formula? I am afraid that unless we lower these support levels to a more realistic level we are eventually going to destroy our entire farm program. Besides we cannot maintain high support prices without rigid Government controls.

Mr. ANDERSON. I could argue with the Senator for a substantial period of time on that subject. If anyone wants to accomplish that all he has to do is to vote for the Aiken amendment. That will probably result in limiting to the point where there remains only the support called for in the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Simply removing this part of the bill and inserting the amend-

ment which I had printed does not mean that the support will necessarily be below 90 percent for the first year the commodities are under quota, because the Secretary of Agriculture will have the full authority to fix the support anywhere between the 90-percent and the minimum level which will be provided for by the formula in the bill. That will very likely be somewhere between 80 and 90 percent. That gives the Secretary of Agriculture himself a chance to cushion any reduction in the support price in order to offset the drop in farm income which a reduced acreage would naturally bring about.

For one, I am quite confident, inasmuch as the Secretary has expressed the opinion that the cotton farmer should have 100-percent support, that he would not hesitate at all, and probably would not fail, to fix the support at 90 percent or very close to it. We should never assume that the Secretary would give the farmers or the producers of each commodity the lowest possible support price under whatever legislation the Congress passed on the subject.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. I am not quite sure as to the support levels certain nonbasic storable commodities would receive under the provisions of the bill. For example, with respect to oats, barley, flax, and rye, is the support level mandatory at from 75 to 90 percent of parity, or is it optional with the Secretary?

Mr. ANDERSON. It is optional with the Secretary.

In response to the point that was raised a moment ago with reference to section 412, I think I ought to say to the Senator from Nebraska [Mr. BUTLER] that I have received a message from the Cotton Producers Association, Atlanta, Ga., urging that the section be eliminated, and that the following language be substituted therefor:

In acquiring, storing, and disposing of commodities through loans, purchases, and otherwise, the Secretary of Agriculture shall employ usual and customary channels of trade unless after due notice and hearing he finds that such usual and customary channels are inadequate for the acquisition, handling, storage, and disposition of such commodities.

I do not say to the Senator from Nebraska that this would cure in any way the difficulty he has in mind, but I hope that if he moves to strike out the section, he will seek to retain something that will make it certainly evident that the Senate, and I hope the House, intend that surplus commodities now being acquired in very large quantities shall be disposed of.

Mr. BUTLER. Mr. President, I assure the Senator from New Mexico that that is exactly my intention at the moment, and the wording of my amendment is exactly as the quotation the Senator read from the telegram.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. A moment ago the Senator from New Mexico said that support levels of certain nonbasic storable com-

modities that I mentioned were optional. Did the Senator mean by that that it is optional for the Secretary of Agriculture to support oats, barley, rye, flax, and so on at 75 to 90 percent of parity, or it is optional that he may support them from nothing to 90 percent?

Mr. ANDERSON. I am sure I am correct in saying that it is optional whether there is any support program at all for some of the nonbasic commodities. We had started with the theory of making support more or less mandatory for a great many products, but we reach the point where we are not sure whether the Secretary is going to be able to support more than the basic commodities, plus the mandatory provision for dairy products and certain other things.

Mr. YOUNG. I am not so sure about it myself. I started in favor of this bill. I may oppose it in the end.

Mr. ANDERSON. Mr. President, I should like to give some other Senator an opportunity to discuss the bill. I wish to say that I am highly appreciative of the cooperation we have had from all sides. It is not an easy thing to try to write an agricultural bill. I have no assurance that we have written a good one now, but we have done the best we could to try to get a bill that will be to some degree workable.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Do I correctly understand that the basic difference between the Anderson bill, if it should go into effect on January 1, 1950, and the Aiken bill, which is now on the books, is that under the Anderson bill we are projecting for another 12 months 90 percent of parity on certain basic commodities, whereas if the Aiken bill is allowed to go into effect, the same commodities will be in a flexible support program beginning January 1, 1950?

Mr. ANDERSON. I think I would have to say that there are vastly greater differences than that between the two proposals; and I think the Senator from Vermont would agree that definitely, if this bill should be enacted, it would require that cotton, wheat, and corn, if quotas are in effect, would be supported at 90 percent, whereas under the Aiken bill they might be supported at 90 percent by the Secretary, or might be supported at some lower level. There is that slight difference.

Moreover, in the pending bill there is a mandatory provision with reference to dairy products, which is not contained in the other legislation; and there are many other minor changes of that nature.

I will say to the Senator from Delaware that I had hoped that when we wrote farm legislation we would not start by trying completely to destroy what had gone before but would try to build on what had gone before. Therefore the purpose of this proposed legislation was to utilize as much as possible of the Agricultural Act of 1948, and to repeal just as little of it as possible. We have tried to see if we could not go from year to year holding to permanent programs in agricultural legislation. Therefore a

great deal of this bill has utilized provisions which were included in the Aiken Act.

For example, it would have been quite easy to start with an entirely new concept of modernizing parity. At the time the modernized parity was submitted to the Senate by the Department of Agriculture, a little over a year and a half ago, there was great argument then as to whether some other formula would not work just as well. However, it was decided that this particular formula, carried forward from the Aiken bill, was a very good one; and I am extremely happy that the Senate adopted it and that it was finally enacted into law. Therefore I did not start with something which I thought might be just as good, but tried to hold to something which was reasonably good, and probably in time will prove to be extremely good. That has been the philosophy under which we have tried to work throughout.

Mr. CHAPMAN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CHAPMAN. I have listened with deep interest to the very able exposition by the distinguished author of the bill, the Senator from New Mexico. Before he concludes I should like to ask one question. Does this bill change in any way the existing price support for fire-cured, dark flue-cured, and Virginia sun-cured tobacco as provided by the act of July 28, 1948, Public Law 163 of the Eightieth Congress, and extended by title I of the Agricultural Act of 1948?

Mr. ANDERSON. Only insofar as the inclusion of hired labor and other things of that nature change the general formula. There is no specific change otherwise.

Mr. SALTONSTALL. Mr. President, will the Senator yield for two questions with respect to the eastern agricultural section?

Mr. ANDERSON. I am glad to yield.

Mr. SALTONSTALL. If I correctly understand the Senator from New Mexico, in his opinion this bill is an improvement on the so-called Aiken bill of 2 years ago, and adopts its principles and tries to improve it where improvements can be reasonably made. Is it correct to say that it adopts the theory of agricultural supports as provided in the Aiken bill?

Mr. ANDERSON. That is a rather large question, I will say to the Senator from Massachusetts, but in general I think the answer is yes. It does not adopt, for example, the theory that we should set forth a scale of price supports and then say, "If you vote quotas we will add 20 percent to the level of your price support." I do not think the Senator from Vermont intended it to work that way. However, the proposal was presented to the committee, and was soon on its way over to the House. A table was set forth, which I think the Senator from Vermont perhaps felt was too low. Personally I feel that it is better to say clearly in the beginning that the 20 percent is to be added. So if the Senator from Massachusetts means that this bill adopts all the principles of the Aiken

bill, the answer is no. Fundamentally the Department of Agriculture had been urging that there be permanent legislation, and that the parity formula be modernized. The Aiken bill did modernize the parity formula. Therefore the committee accepted and adopted what had been done as a useful and worthwhile step.

Secondly, it had been the policy of the Department of Agriculture, up to the time this bill was considered by the Senate committee, that there should be flexible supports. It was felt that there should be a program of flexible supports. The Aiken bill encompassed a program of flexible supports. It went below the level I would have suggested; and there was attached a rider which said, in effect, "If you vote quotas, you will get an increase of 20 percent." It seems to me that that is rather rewarding a person for getting into trouble. It was not the intention of the Senator from Vermont that it should be so regarded.

I was not willing to go quite so low as those supports go, but I am attached to the principle of flexible price supports, so I do not want to chop into that section of the Aiken bill which provides for flexible price supports, except to change the table.

That is a long-winded way of saying to the Senator from Massachusetts that in general we accepted the principles in the Aiken bill as related to flexible price supports and modernization of parity, and we tried to build on that experience.

Mr. SALTONSTALL. Mr. President, may I ask two more questions? I had intended to ask only one more.

Mr. ANDERSON. I am delighted to yield.

Mr. SALTONSTALL. My next question is this: The success of the bill depends, does it not, to a great extent upon the integrity, intelligence, and capacity of the Secretary of Agriculture?

Mr. ANDERSON. I think most farm bills must depend upon that factor, because he has the final decision of a great many questions.

When we come to the question of what level the Secretary shall apply, I do not know how many would agree with me, but I know that my distinguished friend from Minnesota agrees that establishing a flax price-support far beyond the cost of production of flax was a good thing, even if we were caught with some surplus flax, because we broke the back of a movement which was going on in the Argentine to ask extravagant and extortionate prices for linseed oil. The very fact that we have proved that we can do the same thing any time we want to do it has leveled off the world price of oil, even though it involved the Department in a loss. I think it was worth while. Any program must depend upon a great degree upon the integrity with which the Secretary of Agriculture administers it.

Mr. SALTONSTALL. In legislating a program of this kind, Congress must establish a very flexible program, depending upon the integrity and character of the administration.

Mr. ANDERSON. I think so; and I think it can safely do so,

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. I should like to comment at this point. I do not think we should interpret the flexibility of this program as being adjusted to the integrity of the Secretary. The way the question was stated, I think it is subject to a misinterpretation. I believe the flexibility was to meet the problem of unpredictable crop yields. A person may plant 10 acres of corn with the expectation that he will get 35 bushels to the acre. When he harvests the crop he may get 60 bushels to the acre. He had no expectation that that would be the result. The program for the entire United States might be constructed on the basis of that 10-acre plot. The result might be a total yield of 30 or 40 percent greater than was anticipated. Without the flexibility, the whole farm program might be placed in jeopardy. If every producer experienced a yield per acre 20, 30, or 40 percent more than was anticipated, there would be such a volume of production in the United States that if an effort were made to support such production at a rigid 90-percent support, or even a higher figure than 90 percent, the ultimate cost to the United States Treasury might be too great.

Potatoes are an example. The large potato production in 1948 was not the result of increased acreage. It was realized with practically a 40-percent reduction in the total acreage planted. However, there was a tremendous yield because of favorable weather conditions, the insecticides which were used, and other factors which lent themselves to extremely high production.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. THYE. Mr. President, if the Senator from Michigan will permit, I should like to conclude first, if that meets with the agreement of the Senator from New Mexico.

Let me say that, flexibility enters the picture in the attempt to safeguard the program against a reaction by the general public which might set back the program so drastically that it would take a number of years to regain what an adverse public opinion might have done in cutting off the appropriations necessary for the program.

Mr. SALTONSTALL. In other words, if the Senator from New Mexico will permit me to finish, the Senator says that the results of a very productive year—a large crop, and so forth—would lead to decisions which would be practically automatic on the part of the Department of Agriculture, and that in such a situation the use of discretion would not be required to any great extent, but certain things would more or less automatically be done. Is that correct?

Mr. THYE. For instance, if the Senator will consult the table which shows the prices of tobacco, corn, wheat, and so forth, he will see that when the supply percentage is 102, the support level is to be not less than 90 percent of parity; and then farther down in the table, he will see that when the supply percentage is 130, the support level will be not less than 75 percent of parity. If there were

a 130-percent supply of wheat, that would be a tremendous volume of wheat, and the result would be that not only would much of it have to be put under Commodity Credit Corporation loan, but the Department of Agriculture would have to try to search the world over for a market for some of the wheat, or else it would be necessary to reduce so drastically the wheat acreage planted the next year that the farmer would be confronted with a terrific reduction in the possibility of income for him, because if the number of acres which are planted is reduced, the farmer's actual income is cut right there, and there is no possibility for him to overcome that change. If a farmer is allowed a 130-percent production, at a price of 75 percent of parity, he has just as much money, if not more, with that big volume of 130 percent to be sold at 75 percent of parity, than if his volume were cut below normal and if he received a price of 90 percent or even 100 percent of parity.

So the purpose is to adjust to the unforeseen developments which may occur, so far as they affect the farmers. For instance, a farmer may save ten pigs for breeding, but if one or two of the pigs die, then his future production is cut, right then and there.

The same thing is true with respect to the number of acres planted. In the case of a crop of corn, there may be a hailstorm just a few days before the crop is ready for harvest, and the hailstorm may result in a total loss of the crop. I have known of hailstorms striking on a Sunday and leveling an entire crop which was to be harvested on Monday.

So the purpose is to provide an allowance for unforeseen conditions and developments over which the farmers have no control. This provision states what shall be done then.

In connection with perishables, the matter of storage enters the picture. There may be a question of whether the producer wishes to plant more radishes or some other crop which will be ready for market in just a few weeks after planting. In such case, I do not think we can write a law which will place a mandatory requirement on the Secretary of Agriculture in respect to what he shall do with those perishable crops, because there is such a short time between planting the crop and harvesting the crop that such a requirement would absolutely swamp the Secretary of Agriculture, for the situation would be beyond anything with which he could cope.

Aside from the basic commodities, there are certain commodities or crops which are relatively so unimportant that provision for them cannot be written into the law, and yet they have an important function in the whole scheme of agriculture. I have introduced an amendment which would involve honey as a product as to which the administration of certain provisions of the law on the part of the Secretary of Agriculture would be mandatory. The only reason in the world that I introduced an amendment to have honey treated in that way is that, although honey is unimportant in respect to the total agri-

cultural cash income of the Nation, yet honey is tremendously important from the point of view of whether seeds are to be produced from various plants. Bees are needed to properly pollinize various crops, through their flowers—for instance, various grains or various fruits. If the price of honey goes down so far that the producer cannot afford to bother with one colony of bees or perhaps several hundred colonies of bees, and if he goes out of business so far as the production of honey is concerned, the result is to place the clover seed crop, the alfalfa seed crop, and all kinds of fruit crop in jeopardy, because there will be a reduction of the number of bees which are able to do the physical job of pollinizing the flowers of those plants or fruits.

Therefore, in the case of perishables, it is impossible to have a requirement that the Secretary of Agriculture shall enforce certain provisions.

But basic commodities can be put in storage, so that the loss will not be taken until the next year's crop is reached, by way of an acreage reduction sufficient to take care of the surplus. That is true of corn, wheat, tobacco, cotton, peanuts, and rice, because all of them are subject to storage.

Mr. SALTONSTALL. I thank the Senator.

I should like to ask the Senator from New Mexico if there is any basis for an estimate of the cost of the bill for an average year or, let us say, to be specific, for 1950?

Mr. ANDERSON. I am sorry that it is impossible to do that, because it is not easy to estimate what the crops will be. Therefore, I must say to the Senator that I cannot answer his question.

Mr. SALTONSTALL. There is no basis of knowing what the bill will cost the Government; is that correct?

Mr. ANDERSON. No; I think not.

Mr. AIKEN. Mr. President, I wonder whether I may answer the Senator from Massachusetts.

Mr. ANDERSON. Certainly; I yield.

Mr. AIKEN. There can be no direct estimate of the cost of the bill. However, it is my guess that it will not be very different from the cost of administering the price-support program provided in the 1948 act. There was an estimate of the cost of that act. It will be found in the Commodity Credit Corporation's Charter Act. It was determined by the committee, after months of study that the sum of \$4,750,000,000, plus \$100,000,000 capital, would be adequate to carry on the farm program for a great many years to come, so far as anyone could see into the future. However, at the time we set the limitation of \$4,750,000,000, we did not anticipate that we would have the difficulty we have had with the House of Representatives. As a result, approximately \$2,000,000,000 more than we had anticipated is not obligated for carrying out the rigid 90-percent-of-parity provision.

It is entirely possible that this year's crops—those for 1949—may use the entire \$4,750,000,000 so, that the amount will be inadequate. But had the long-range provisions of the 1948 act been

permitted to take effect this year or had the proposal of the Senator from New Mexico been in effect this year—they are very much the same—then I am sure the sum of \$4,750,000,000 would have been adequate for many years to come.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FERGUSON. The Senator was speaking about the discretion of the Secretary of Agriculture. I wanted to get the Senator's view on this matter. Suppose the Secretary fixes quotas; that is, he determines the amount of land which may be planted by the respective farmers, and we then find a great increase in crops, such as the Senator from Minnesota has mentioned, with respect to potatoes. Has the Secretary the right from time to time during the year to change the amount of payment, between 90 and 75, as indicated? After he assigns the quota and says, "This is the quota," is he then bound to abide by it?

Mr. ANDERSON. I may say to the Senator from Michigan, that is the very question which has arisen now in connection with the potato support program. It has been suggested that the potato program be stopped right at this point, and that it be said, "It has cost \$40,000,000 or \$50,000,000, or may cost that, and therefore there will be no further price supports in the program, because production is high." I certainly feel, and I believe others feel, that having announced a program, and farmers having made plantings and prepared crops and fertilized the crops, and in some instances, having harvested the crops, the Secretary cannot at that time change the rules in the middle of the game.

Mr. FERGUSON. I had in mind not the elimination of the rule entirely, but the change in the program between 90 percent and 75 percent, as indicated in the bill. Does the Secretary have the discretion under the bill to change it? Suppose he said, "It will be 90 percent of the crop you were allowed to plant." They plant the crop, and they discover there is an enormous production during the period. Can the Secretary then say, "Under the circumstances, I will make the percentage 80 instead of 90, because of the increase in the crop?"

Mr. ANDERSON. I think he could then say he would reduce it from 90, if he had fixed it at 90, down to the lower range that is carried in the table, which might be 81, 82, or 83. But I think, having made announcement at the beginning of the crop year, he would be a very foolish Secretary if he changed it during the crop year. The farmers who had harvested first would have received the benefit of the support price. Those in the northern fringe of States would not have received the support price, and they would not have felt they were fairly treated. So therefore I think he must adhere to the program, once he announces it.

Mr. FERGUSON. So, notwithstanding the wording of the bill, we might expect the Secretary to adhere to what he determines in advance. Am I correct in that? I can see how it would be very unfair to remove it entirely.

Mr. ANDERSON. It would be just about as unfair, I may say to the Senator, to remove it partially, because if a support program for wheat is announced, and winter wheat from the great producing areas of Texas, Oklahoma, and other States, get the benefit of it, and later the spring wheat harvested in the northern part of Nebraska, the two Dakotas, and so forth, should not get the benefit of it and should sell at a lower price, the Secretary of Agriculture would never be able to explain it to the farmers.

Mr. FERGUSON. Then, does the Senator say that the Secretary of Agriculture should be a man who understands agriculture and possesses wisdom to determine about what the crop should be?

Mr. ANDERSON. I am afraid by that the Senator starts to disqualify me for the time I spent in the Department of Agriculture.

Mr. FERGUSON. It should not be what could be called a guess, should it?

Mr. ANDERSON. No.

Mr. FERGUSON. We would not want to place it on a guessing basis, would we?

Mr. ANDERSON. No.

Mr. FERGUSON. There must be wisdom in the determination as to the size of the crop, weather, and certain other things excepted. So far as fertilization, the killing of insects, and so forth are concerned, the Secretary should be able to judge pretty well. It that not true?

Mr. ANDERSON. No; he is not able to do that, I am sorry to say. He comes pretty close to it, but he is not able to judge it completely.

Mr. FERGUSON. Of course, he cannot judge what the weather is going to be.

Mr. THYE. Mr. President, will the Senator permit me to interrupt the discussion at this point?

Mr. FERGUSON. I wish the Senator would do so.

Mr. THYE. From the standpoint of what becomes the mandatory responsibility of the Secretary of Agriculture, or of what he might do in his discretion, I might say all we have to do is to consider the potato situation of 1948 and what the producers themselves did. They sat down with the Secretary before the actual planting season began, last spring, or early in the winter, since the early plantings start in the winter time, and agreed they would accept 60 percent as the support price for the calendar year and the marketing period for the 1949 crop. The marketing of some of the potatoes carries over into the following year, the potatoes being harvested late in the fall of the year. So the agreement has been made for the crop to be grown in 1949, and the percentage has been fixed at 60. It was understood and agreed between the producers on the one hand and the Secretary of Agriculture on the other. Therefore, the Secretary availed himself of the flexibility of the act, but he did not break faith with the producer. The former Secretary, the able Senator from New Mexico, was entirely correct when he said no Secretary would be so unwise as to change the rule in the midst of a har-

vesting or growing season. Neither should we, as Members of the Congress, permit the Secretary to do such a thing. We should at some future session of the Congress restrain him through congressional action, so that he may not do such an unjust thing at some future time.

In connection with flexibility, let me say that at the present time in the United States we know we have more than 350,000,000 bushels of wheat as a possible surplus. Next year's planing must be gaged by the actual carry-over of wheat and the factors of production, including moisture conditions in the Southwest and in the extreme West. Taking all those factors into consideration, it is anticipated the crop will be so much, plus the carry-over. That would become the basis of the price to be determined for the crop.

Mr. ANDERSON. In closing, I may merely say to the Senator from Michigan that while the question he raises could arise, it probably never will. But there is also provision in the bill for forward pricing, and if the Secretary announces his prices and the forward pricing, he is then by law prevented from changing it in the course of the season. I think that would cover nearly all the cases that can possibly arise.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. FERGUSON. Is the Senator familiar with the articles which were published in the Washington Post in relation to the payment of large sums to individual growers of potatoes?

Mr. ANDERSON. Yes.

Mr. FERGUSON. Under what particular law was that done? What was the date of the law?

Mr. ANDERSON. That happened under the so-called law, which provided that where increased production had been requested for a specific commodity, it would be supported, during the war and for 2 years thereafter, at 90 percent of parity. The first section of the Agricultural Act of 1948 carried it through the year 1949. The payments to which the Senator refers were made under the Steagall legislation passed in 1947 and 1948.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HUNT. I have a problem in my State, with respect to which I should like the Senator's opinion. It is with reference to new land, which has no crop-production history. As the Senator knows, there have been opened up in my State of Wyoming in the past 3 or 4 years several thousand acres of new land, which, I say, has no crop-production history. The new lands are occupied mostly by ex-servicemen who settled on them. They are writing, telegraphing, and telephoning me with reference to the quotas, saying that practically, under existing rules and regulations, they will be prohibited from planting certain crops, or will certainly be very greatly limited as to acreage. Under the pending bill, would the Secretary of Agriculture have a right to make

an adjustment of quotas in such a situation?

Mr. ANDERSON. No, not under the pending bill. The only provision which would have permitted him to do that was Senate bill 1962, an acreage-limitation bill. In that bill there was some provision for the improvement of wheat acreage in certain sections, including the State represented by the Senator. But almost entirely it would have to be said that in the case of settlers who have occupied new land and broken it, if quotas are put on, they certainly have not too great rights, and may not have rights at all. I shall give the Senator an example. In a certain area in my own State only a few years ago there were planted 500 acres of cotton. Then the acreage increased to 2,000. The next year it increased to 20,000; and last year to 60,000. That particular section should return to approximately 2,000 acres of cotton.

To go back to a section of a bill of which I was the sponsor, I supposed I would hear something from those people. I kept warning them that the day would come when they would suffer from overproduction. It is very difficult to control matters of that nature, but some day we shall have to go back again to a type of agriculture which is easy on the soil and will conserve the soil. We are planting millions of acres of wheat and millions of acres of corn on land which should go back to pasture land. The sooner it is done, I think, the better it will be. In the operation of some particular law sometimes what seems to be an injustice is worked upon persons who have lately ripped up pasture land, tried to make farm land out of it, and undertaken to grow crops. It happens after every war, and there is not much that we can do about it.

Mr. HUNT. It is an unbearable hardship. The men to whom I have referred have applied for their units of land. They have very little cash resources and are not in a position to change their mode of farming. They are not in a position to put these lands into pasture and make any appreciable amount of money from them the first year. They must have some help so they can plant crops. Has the distinguished Senator any suggestion as to how that can be accomplished?

Mr. ANDERSON. There are not limitations on all crops. There are possibilities of switching to other crops. It is not always necessary to plant wheat. Oats and barley may be a hazard, but there are possibilities in that direction. The only thing I can think of is to transfer to crops which are not under acreage limitations.

Mr. HUNT. The crops, primarily, are sugar beets, potatoes, beans, and wheat. With the crop limitations, they are suffering under a severe hardship.

Mr. THYE. Mr. President, will the Senator yield, so that I may answer the distinguished Senator from Wyoming?

Mr. ANDERSON. Mr. President, I ask unanimous consent that the Senator from Minnesota may be permitted to answer the question of the Senator from Wyoming.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, it is so ordered.

Mr. THYE. The Senator from Wyoming made mention of sugar beats, beans, and other such crops. That indicates, to me, that the land to which he refers is irrigated land.

Mr. HUNT. Yes.

Mr. THYE. If it is irrigated land, a variety of crops can be planted, and wheat becomes a minor crop. I think the Senator from New Mexico will bear me out in that statement. The producer can turn to alfalfa, to barley, or he can produce soy beans or a dozen other crops just as profitably as he can produce wheat. I was thinking that maybe the group of producers referred to by the Senator might be in the arid area, and therefore would naturally summer-fallow one year and a plant of crop of wheat the following year. In that situation their hands would be tied. But if it is strictly an irrigated area, there are a dozen avenues besides that wheat avenue.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MILLIKIN. I remind the distinguished Senator from Wyoming that so far as wheat is concerned the distinguished senior Senator from Colorado, the junior Senator from Colorado, and the Representative from Colorado succeeded in getting amendments through this year which restore equities to the situation for a limited period of time. That is, when they follow fallowing practice they will not be penalized more than the national average. That is good for one year.

I agree entirely with the distinguished Senator from Wyoming that there is a possibility of very grave damage to the arid States unless there is some kind of relief, so far as producing wheat on arid land is concerned. Practically speaking, the production of grass is a long and highly speculative operation. A man may be able to plant wheat, but he may not be able to stock his farm with livestock.

I think the Senator has raised a very pertinent question. I should like to identify myself with his apprehensions.

Mr. HUNT. I thank the Senator from Colorado.

It was my hope that this bill would give to the Secretary sufficient authority to take care of isolated cases. This is certainly an isolated case and not an extensive situation, but it is one which is vital to the ex-servicemen who have settled on these new units. I am hoping we can exempt these lands without crop-production history from the provisions of the bill.

Mr. ANDERSON. The lands referred to would not be subject to the coverage of this bill. Public Law 272, which Congress passed earlier, does provide for quotas insofar as cotton, wheat, and peanuts are concerned. In other laws there is some leeway on the part of the Secretary of Agriculture as to making allotments from Washington and taking into consideration items of this nature. As a matter of fact, a percentage of the total national acreage was set aside so that he might take care of conditions such as

this. I believe there is a possibility of extending some help to the persons to whom the Senator has referred.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I have been trying to yield the floor, but I am glad to yield to the Senator from Delaware.

Mr. WILLIAMS. I should like to ask the Senator this question: In the case of a farmer who has increased his acreage of cotton or some other commodity during the war, suppose the Government wants him to return to his previous production, and he refuses to cut his acreage back and is willing to forfeit his rights under the support program, but he says he is going to keep on growing cotton. What means of enforcement does the Secretary of Agriculture propose to adopt in a situation such as that?

Mr. ANDERSON. The law provides that when the farmer markets his crop he does so under a penalty amounting to 50 percent of the value of his cotton.

Mr. WILLIAMS. Even though the farmer elects not to participate in the support program, there are penalties and fees which can be levied against him. Is that correct?

Mr. ANDERSON. Yes; because we still operate under a theory of majority rule. When two-thirds of the farmers vote for the proposition, it becomes operative across the country.

Mr. WILLIAMS. Then it is possible that if a group of farmers decide not to cooperate, they could be penalized to the extent of losing their farms?

Is not that rather drastic here in America?

Mr. ANDERSON. Not under this bill.

Mr. WILLIAMS. But under the law they could lose their farms through fines and various penalties being assessed against them for their lack of cooperation.

Mr. ANDERSON. I do not know whether they could or not. I never heard of any farmer losing his farm under those circumstances.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. If a farmer refused to do what two-thirds of the farmers have agreed to do, he would be practically trying to give away his farm, would he not?

Mr. WILLIAMS. No. I am trying to point out what may be the result if we continue this authority in the hands of the Secretary of Agriculture.

Mr. ANDERSON. The virtue of it is that in this country it is not in the hands of the Secretary of Agriculture. It is in the hands of the farmers themselves. They have voted affirmatively for control of cotton, peanuts, and tobacco before the authority becomes effective. That is one thing I have liked about the program.

I might say to the distinguished Senator from Delaware that a couple of years ago it was my privilege to attend a meeting in Germany at which the farmers there were trying to understand the AAA program in this country, because they had been told by their leader, Hitler, how much they should plant and what variety they should plant, and they

thought it was a wonderful thing that the farmers in America had a chance to express themselves and say whether they did or did not want to be under the control program.

Mr. WILLIAMS. I was trying to bring out the fact that under existing legislation it is impossible for any farmer to operate as an individual unit any longer, unless he complies with these laws and participates in the program he can be subjected to fines and perhaps imprisonment. This is something which I do not feel the farmers will stand for. It certainly is different from anything American.

Mr. ANDERSON. It depends on the penalty provision applicable to the particular law. As a matter of fact, in the potato program it is the violator of the program who I think has caused the most trouble, the individual who says "I do not care what the acreage allowed is, I am going right ahead and plant." A great majority of—should I say—the old-time potato producers, farmers in the Red River Valley, for instance, have not increased their acreage and their output so tremendously. We have to go to the new areas where they say "We do not care anything about history," and have planted hundreds of thousands of acres to potatoes, and marketed them in competition with the other farmers who have been staying with the program. That is one of the greatly puzzling things in the endeavor to determine what to do with the potato program. Where there is cotton going into a cotton gin, we can put a red tag on it, and we can work the program out pretty well, but there are conditions under which it does not work at all.

Mr. WILLIAMS. Under the present plan the farmer in the Red River Valley, or wherever he is, will first obtain a permit from the local representative of the Department of Agriculture, stating just how many acres of a given crop he can plant before planning his year's work if this bill is passed. Is that not true?

Mr. ANDERSON. No; if he wants to come within the program, he does; but he can plant all the potatoes he wishes to plant.

Mr. WILLIAMS. But you said before that in certain instances it could be done. I was assuming that the farmer had elected to stay outside of the program and not read any of the benefits under the program. Could he be forced by law to comply with the acreage control placed on farmers under the program, who participated in the program?

Mr. ANDERSON. It depends entirely on the type of program. We could if it were cotton; we could not if it were potatoes.

Mr. LUCAS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the majority leader.

Mr. LUCAS. While we are discussing potatoes, I invite the Senator's attention to page 4, title II, "Designated Nonbasic Agricultural Commodities." In the first paragraph the section refers to Irish potatoes, but in paragraph (b) the reference is to "late Irish potatoes." There is some difference, I presume,

Mr. ANDERSON. In the first place, we refer to "Irish potatoes," and in the next place, in order to be sure, we say, "early, intermediate, and late." There was assertion to the effect that all we could support was late Irish potatoes, on the ground that earlier potatoes had too much water in them and were hard to store, and the intermediate so much water that it was dangerous to attempt to store them, but the late potatoes could be safely stored. It was pretty difficult to handle the matter, therefore the language clearly spells out that it is "early, intermediate, and late," to cover the whole Irish-potato crop.

Mr. LUCAS. Is that an amendment to the bill?

Mr. ANDERSON. No.

Mr. LUCAS. In the bill I have it speaks of "late Irish potatoes."

Mr. ANDERSON. I call the Senator's attention to the language on line 15, page 4, "early, intermediate, and late."

Mr. LUCAS. The Senator is correct, and I am wrong.

Mr. ANDERSON. It covers the whole crop.

Mr. LUCAS. I think there is much to be said with respect to the failure to support early and intermediate potatoes, because of what the Senator said in the explanation he gave a while ago. One of the troubles we have had with potatoes, so far as adverse publicity has been concerned, has been due to the early potatoes, which would spoil before they arrived at market.

Mr. ANDERSON. Unquestionably that is one of the questions.

Mr. LUCAS. I was not able to attend all the hearings on the bill, which is the reason why I am asking some of these questions. With all the trouble we have had with potatoes, why could not potatoes be placed under section 301?

Mr. ANDERSON. If the Senator will wait a day or two, there will be before the Congress, certainly there will be introduced a bill which I think will offer possibilities of real control of the potato situation. It is the bill which was sent to the Senate in conformity with the request of a special subcommittee appointed to consider dried eggs, the various problems that arose about the egg program, and the Irish potato program. The Department has submitted legislation which I assume will be introduced, indeed which may have been introduced already, but it is a bill which I think deals more adequately with the potato situation than any legislation thus far proposed. In the pending bill we left the matter about as it was, in the anticipation that later there would be something in the way of permanent legislation affecting potatoes.

Mr. LUCAS. I should not like to see the potato and egg program destroy the basic agricultural program. In view of what the Senator has said with respect to those who turn over thousands of acres of sod here and there in order to plant potatoes, it seems to me that if penalties were attached they could still make money through the support price, and it should be absolutely discretionary with the Secretary of Agriculture as to what support he would fix on potatoes.

Those who have planted the extra acreages have done every conceivable thing in order to defeat the law, from the standpoint of their own selfish interests. That does not apply to all the old-time potato growers, to whom the Senator has referred, such as those in the Red River Valley and in other places, but when we see farmers put in potatoes, row after row, more than they did before, and use fertilizer to produce more potatoes, and at the same time turn over for the production of potatoes thousands of acres which were not so used before, we have to do something about that particular program in order to keep the American public enjoying a major degree of confidence in our great general agricultural program.

Mr. ANDERSON. I agree with the Senator, but I say to him that I think the subject is going to be treated in separate legislation. Legislation is now ready, and has been submitted to the committees of the Senate and the House, and I believe that something still can be done which will bring this situation under control.

Mr. MAYBANK. Mr. President, I understand the Senator has completed his speech on the bill. In view of our discussion this morning, I wondered if it would meet the Senator's view to consider a slight amendment on page 10, line 11, to add the words "(plus all costs and expenses to the Corporation, including interest, storage, insurance and transportation charges, as determined and approved by the Secretary of Agriculture)." I should like to send the amendment to the desk and have it stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 10, line 11, after the word "commodity" it is proposed to insert the words "plus all costs and expenses to the Corporation, including interest, storage, insurance and transportation charges, as determined and approved by the Secretary of Agriculture)."

Mr. MAYBANK. Mr. President, that would save the Government from losing and would save the farmer from losing.

The PRESIDING OFFICER. Does the Senator desire to have the amendment printed?

Mr. MAYBANK. I ask for the adoption of the amendment, if it is in order. I understand it is agreeable to the Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was agreed to.

Mr. ANDERSON obtained the floor.

Mr. BUTLER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Nebraska.

Mr. BUTLER. I wish to refer to the remarks made by the distinguished majority leader. He is quite concerned about a few American producers growing more potatoes than the market can take care of, or the planting of potatoes by some of our own citizens who do not

sign up for the program. The Senator has taken exception to them, as I gather from his remarks, and he thought something should be done about it.

In that connection I desire to ask whether the Senator felt that the importations of potatoes from Canada, to the extent of several hundred thousand bushels, was conducive to a successful potato program in the United States.

Mr. LUCAS. Mr. President, I care not to what extent they are imported as a result of this support program, the housewife is still paying quite a little money for the spuds she buys at the grocery store. It does not make any difference what quantity is imported so long as we have the price-support program on potatoes. It does not make any difference to the Treasury, and it does not make any difference in what the housewife has to pay.

I am not going to be drawn into an argument as to what may or may not happen with respect to the importation of potatoes into this country. It may be that they are coming in from Canada. I should want to know more than I do about the facts with respect to that situation before I ventured an opinion. But certainly the Senator's question is wholly irrelevant to the issue before the Senate, because we have a support program. It would not make any difference if 10,000,000 or 100,000,000 bushels of potatoes were imported into this country; the Government would still support potatoes at a certain price, and the money for that purpose would still come out of the Treasury of the United States.

Mr. President, I say the program is indefensible. We cannot continue such a program and expect to retain public confidence in the farm program as a whole. I have continually stated, over a period of years, that our support programs for the basic crops, such as cotton, wheat and corn and tobacco and rice, with respect to which the product can be absolutely controlled, through quotas and acreage allotments, must not be jeopardized under any circumstances, by some other type of support program which is impractical. Support of the nonbasic commodities, which everyone does want to help, of course, where it is practicable, such as potatoes, poultry, eggs, and so forth, over which we have no control whatsoever, is the sort of thing which I am afraid will ultimately destroy the real basic program. That is all I am trying to say.

Mr. BUTLER. I think the Senator is interested, as we all are, in the success of any crop the American producer is growing.

Mr. LUCAS. I certainly am.

Mr. BUTLER. Potatoes are one of those crops, and when importations come in from Canada over the low tariff or no tariff, it certainly does not make easier the lot of the American producer, be he a producer of wheat, of cattle, or of any other form of farm product.

Mr. LUCAS. Under the price-support program it makes no difference how many potatoes may come in. It might help the consumer a tremendous amount, in view of the price the housewife has to pay for potatoes at the present time

under our present support-price program.
Mr. ANDERSON. Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, I submit two amendments to the bill and ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

The Chair calls attention to the fact that the bill is now open to amendment.

Mr. MAGNUSON. Mr. President, I ask that my amendments lie on the table for a while. I wish to say that one of the amendments relates to the question of agricultural imports and exports a subject which the Senator from Nebraska has just brought up. I hope we will be able to include it in the bill. Its general effect would be to allow the Secretary of Agriculture to make determination so that, for instance, if too many potatoes were coming into the United States, or too many apples were coming into the United States, or too much of some other crop, the President in turn could act upon the information furnished him by the Secretary of Agriculture, rather than that the matter should go through the long, tedious, and laborious process of passing through the Tariff Commission. I will say to the Senator from Nebraska that it is significant that all the tariff agreements signed at Geneva by the 53 nations contain exactly such a clause as my amendment. The nations think the purpose should be accomplished in this way, but the State Department has never put the action of the Geneva nations into effect. It would be much simpler to handle the question of imports as they affect the agricultural economy and stability of a crop, if the Secretary of Agriculture, who knows the problem and has all the facts, could attend to the matter directly through the President. I hope the amendment will be adopted.

We have had a great deal of trouble in my section of the country because of the way matters have to be handled. We are not against reciprocal trade agreements or against importations, but there are times when the importations of fruit knock the fruit market out completely. The language of my amendment would result in bringing about a very simple determination and keeping the situation more stable.

Mr. WATKINS. Mr. President, I understand the bill is open to amendment?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WATKINS. I call up the amendment I submitted on September 21, to Senate bill 2522, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 8, after the word "Nuts", it is proposed to insert the word "honey."

On page 4, line 15, after the word "nuts", it is proposed to insert the word "honey."

Mr. THYE. Mr. President, I wonder if the bill does not read "tung nuts" instead of just plain "nuts." I had a similar amendment which I submitted some days prior to the day the Senator sub-

mitted his amendment. That is the reason why I know the language of the bill, and that the language of the bill is "tung nuts."

The PRESIDING OFFICER. The Senator from Minnesota is correct, in that the article described is "tung nuts." But as the Chair understands, the amendment simply refers to the one word "nuts."

Mr. THYE. I think the amendment would be more understandable if the words "tung nuts" were used.

The PRESIDING OFFICER. Does the Senator from Utah wish to have his amendment modified accordingly?

Mr. WATKINS. It is a question whether that is proper or not. As the language appears in the bill, the words are separated. The words are "tung nuts." All I was trying to do was to identify the place where the amendment should be made. The language is two words. The two words are not joined into one. If it is necessary that the two words be used in connection with my amendment, so as to make it proper, of course, I shall not object.

By the way, Mr. President, I did not know that the Senator from Minnesota had submitted an amendment several days before I submitted mine. I thought mine was submitted before his was.

The PRESIDING OFFICER. The Chair suggests that the word "nuts" in the first part of the amendment be de-capitalized. Then it would correspond with the language of the bill.

Mr. WATKINS. I accept that suggestion. I take it the amendment submitted by the Senator from Minnesota is to the same effect as mine.

Mr. THYE. If the junior Senator from Utah would refer to the committee discussion during the preparation of the language of the Anderson bill and would read the hearings on the bill, he would know that the senior Senator from Minnesota had advocated that honey be included as one of the mandatory commodities under the bill. There is an amendment on the desk which would amend the bill so that honey would be included in the Anderson bill as a mandatory responsibility on the part of the Secretary of Agriculture.

Mr. WATKINS. In view of that record I should be very happy to yield to the Senator at this time and permit him to call up his amendment, and then I shall be glad to join with him.

The PRESIDING OFFICER. Does the Senator from Minnesota desire to call up his amendment now?

Mr. THYE. Mr. President, absolutely not. If the junior Senator from Utah would amend his amendment so that it would refer to the two words "tung nuts" as the language appears in the bill, then, of course, I would support his amendment, because the two amendments then would be identical in every sense.

Mr. WATKINS. Mr. President, the Senator from Utah has already indicated that he would be very glad to have the amendment amended to fit the situation. In view of the way the words were printed in line 8, on page 4, I had some doubt that the wording should be as the Senator from Minnesota suggests. However, if it is necessary to change the wording in

line 8, on page 4, and in line 15, on page 4, I shall be very happy to have the amendment made to conform. It is simply a question of the phraseology. It is a technical situation. The Chair might be able to enlighten us upon that subject, after consultation with the Parliamentarian.

The PRESIDING OFFICER. The Chair suggests that in order to bring the amendment into line—and certainly to bring the thinking into line—the Senator might well modify his amendment to include the word "tung," so as to read "tung nuts," with a lower case "n" and a comma following the words "tung nuts."

Mr. WATKINS. Is that agreeable to the Senator from Minnesota?

Mr. THYE. It is.

The PRESIDING OFFICER. Without objection the amendment is so modified.

Mr. WATKINS. Mr. President, I accept the modification proposed.

I take it that this proposal requires no long argument. It has already been stated very well by the Senator from Minnesota [Mr. THYE] that honey production does not concern itself merely with the crop of honey, valuable as that crop is. It has a profound effect upon other crops grown in this country. One honey producer has informed me that there are approximately 50 crops in the United States which are affected by the activity of the bee in the matter of pollenization, and that if we do not do something now to make the production of honey more attractive to the producers, in view of the many obstacles which are placed in their way by modern methods of spraying nearly all crops, honey production will soon be a thing of the past. That would be very damaging to the production of many other crops.

In my State, for example, it would be difficult to produce alfalfa seed, clover seed, and other crops without the aid of the honey bee. Most fruits are pollenized by the activities of the honey bee.

We have already seriously handicapped the honey producers by spraying methods and the types of sprays used. It has been very difficult indeed for them to keep going under the high costs and heavy losses they meet because of sprays used on most orchards, and now used upon many of the alfalfa and clover fields in my State. I understand that the same situation prevails in other Western States, particularly on irrigated land, where the same types of crops are grown. It is of great importance to the other basic crops that honey production be kept up to a high standard.

I am also informed by those who should know that we have been importing approximately 42,000,000 pounds of honey each year. I think that was the importation for a year ago. If foreign honey had been kept out of the United States, this situation might not have arisen. There are those who urge that the most effective remedy for the desperate situation in which the honey producers find themselves at the present time would be a tariff to provide protection. But inasmuch as we are to have this type of legislation, calling for a support-price program, honey production ought to be taken care of in this bill.

As the Senator from Minnesota has stated, we urged this amendment before the committee. I do not know why it was eliminated from the bill in committee, but I think it ought to be placed in the bill. It is of great importance not only to honey producers, but to all the American people who buy the other crops which will be in short supply if we do not protect the production of honey.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Utah [Mr. WATKINS].

Mr. ANDERSON. Mr. President, I do not wish to detain the Senate long, and I promise the Senator from Utah that I shall not do so. I agree with much that he has said. I merely point out that it so happens that the great difficulty in the honey business is that hives are not always available where they are needed.

The theory of making the price of honey so attractive that the person who owns a hive does not have to try to find a person who wants it is somewhat new. Heretofore we have tried to support the honey industry by sales of honey and by the renting of colonies of bees for pollination.

Unfortunately, about 50,000,000 pounds of honey are produced annually in the United States. We can use probably 15,000,000 pounds in the school lunch programs. Under the terms of this amendment 35,000,000 pounds will have to be bought by the Government and turned into livestock feed. While the cost would be only about \$1,900,000, I do not feel that I could accept the amendment, because it involves that much money. I do not feel very keenly about it, but it seems to me that it is an extraordinary expense.

Mr. LUCAS subsequently said: Mr. President, I ask that there be inserted in the RECORD, immediately just prior to the adoption of the amendment dealing with the price support on honey, a short statement. I was off the floor of the Senate at the time the amendment was agreed to.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON AMENDMENT FOR HONEY PRICE SUPPORT

Mr. President, it is my firm conviction that mandatory price support must be placed upon honey if one of the most essential industries in America is to survive.

The honeybee industry is doomed if the prices of honey continue at their present level. Since the close of the war, the number of honeybee colonies in the United States has substantially decreased. The reason is clear; the present market price for honey is less than the cost of production. The more colonies that a keeper maintains, the more money he loses. The effect of this has been to reduce seriously the number of honeybee colonies throughout the United States.

This can be disastrous to our whole agricultural economy as there are some 50 different crops that depend upon honeybees for pollination.

The Bureau of Entomology and Plant Quarantine of the Department of Agriculture, in a letter printed in the House Agriculture Hearings, recognized the importance of the honeybee industry. I quote directly:

"It is perhaps difficult to overemphasize

the importance of honeybees in the agricultural economy of the country."

The Bureau then lists in this letter the crops that are dependent upon bees for pollination. Among these are alfalfa, red clover, nearly all fruits, and many vegetables. This letter goes on to state, and I quote again:

"Inasmuch as 80 percent of all pollination is done by honeybees, they are truly indispensable."

The Bureau of Entomology of the Department of Agriculture concludes its letter with these words:

"Considering the agricultural economy of the country as a whole, some plans or means must be provided to maintain a thriving and vigorous beekeeping industry. Honey is really a byproduct of this industry and, until the beekeeper is paid for pollination services by his bees, he must receive enough for his honey to encourage him to stay in business."

I am aware that there is opposition in some quarters to supporting the price of honey. Those who oppose such a program, however, do not deny or try to underestimate the importance of the honeybee industry in our agricultural economy. They oppose price support on the grounds that it is not a permanent solution to the problem. They argue that price supports will result in a greater production of honey and, as a consequence, an expansion of the bee industry beyond the needs of pollination.

I submit that this is not a sound basis for opposing price supports. We have an immediate problem before us that requires an immediate solution. This amendment provides that solution. The placing of price supports on honey will save the honeybee industry and prevent the deterioration of numerous farm crops. I have been advised that if the price of honey continues at its present low level, we can expect a decline in this industry on such a scale that it will take 10 years to rebuild it. Our first responsibility is to assure the survival of the honeybee industry; after that the Department of Agriculture, cooperating with the bee industry, can work out a permanent solution to the whole problem.

Any time that it is recommended that mandatory price supports be extended, it is proper that we consider the likely cost to the taxpayers of such an extension. I have made this investigation in respect to honey. I have been advised by the Department of Agriculture that we may expect the production of 200,000,000 pounds of honey in the coming year. The proportion of this which would be surplus, in the sense that the Government would be required to take title to it, depends largely upon the level of price support which is maintained. The lower the level of support, the smaller will be the surplus.

The Department of Agriculture has estimated that if the support price were set at 75 percent of parity it would not be likely that the cost to the United States Government would be much over one and three-quarters million dollars for the whole program. If the price were set as low as 60 percent of parity, which is permissible under this amendment, the cost to the Government should be very slight.

I do not believe that any Senator can disagree with me that a million dollars is an unreasonable price to pay for the survival of an industry essential to our whole agricultural economy.

I want to emphasize again that the beekeeping industry will welcome a permanent solution to its problems. The Department of Agriculture, however, has not come forth with such a solution. What we propose here can keep the industry alive until such time as the Department does propose a workable program.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Utah [Mr. WATKINS].

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, on behalf of my colleague [Mr. FREAR], the Senator from Maryland [Mr. O'CONNOR], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

SEC. 303. Should price support operation be undertaken with respect to any poultry or meat animal, those chickens known as broilers shall also be supported (1) at a percentage of the parity price for broilers which is not less than the percentage of parity at which the price of such other poultry or meat animal is supported, and (2) in a manner which is not less favorable to broiler producers than that in which the price of such other poultry or meat animal is supported.

Mr. WILLIAMS. Mr. President, I discussed this amendment with the Senator from New Mexico [Mr. ANDERSON], and while he has not agreed to accept the amendment, for reasons he will explain, I feel that it is no more than fair. It will still be optional with the Secretary of Agriculture either to support or not support meats, but the amendment merely provides that if he decides to place in operation a support program in relation to any type of meats, he must make available the same offer to the broiler producers, and thus recognize them as meat producers. For years the broiler producer has not received the recognition from the Department of Agriculture accorded other groups of farmers. However, I want it understood that even though this amendment is accepted I shall feel under no obligation to vote for this bill upon its final passage.

I reserve the right to make that decision on the bill itself later and my decision will not be based upon any action taken by the Senate here on this amendment.

Mr. ANDERSON. Mr. President, I agree with the distinguished Senator from Delaware when he says that the amendment does not change the present situation. However, I submit that the amendment provides that if there is any sort of support program on any type of meat, it must be extended to broilers. If we were to say that if one type of meat were to be supported, all meats should be supported, there might be some room for argument. I do not believe it is correct to say that if there is to be a support price on any type of meat whatever, it must be extended to broilers. In all kindness I suggest to the Senator from Delaware that I find it impossible to decide that this amendment ought to go in the bill.

Mr. WILLIAMS. Mr. President, the reason why this amendment is necessary is that for some reason which I have never been able to understand, the Secretary of Agriculture has defined a broiler as not being a chicken. In the definition of "chickens" as the Secretary of Agriculture defines them, he says, "All types

of chickens except broilers." If a broiler is not a chicken, I do not know what it is. Besides if other types of meat are supported why shouldn't broilers be supported. I think the amendment should be adopted. It is very important to the broiler producers of the Delmarva Peninsula. There are broiler growers in Arkansas, Georgia, Virginia, and many other sections of the country. The production of broilers is just as important to those farmers as the production of wheat is to farmers in the Midwest, and if we are going to spend the taxpayers' money on a farm program why should these farmers be discriminated against?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and other Senators. [Putting the question.] The Chair is in doubt.

Mr. LUCAS rose.

Mr. WILLIAMS. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. LUCAS. Mr. President, I rose to suggest the absence of a quorum.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. Has not the announcement been made?

Mr. FULBRIGHT. The announcement has been made.

Mr. LUCAS. Mr. President, I was on my feet.

Mr. WILLIAMS. The announcement was made, Mr. President.

Mr. LUCAS. I announce that I should like to have had recognition. That amendment was put pretty fast.

The PRESIDING OFFICER. The Senator can ask for reconsideration of the vote. The Chair must say that the announcement was put rather fast, but the Chair did not see the Senator from Illinois on his feet prior to making the announcement.

Mr. LUCAS. I recall that recently the distinguished Vice President made one of those fast announcements and got into a little trouble.

Mr. President, I move to reconsider the vote just taken.

Mr. FULBRIGHT. Mr. President, there were two votes.

Mr. LUCAS. I move that the vote just taken be reconsidered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

Mr. WILLIAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Donnell	Hayden
Anderson	Douglas	Hendrickson
Baldwin	Downey	Hickenlooper
Brewster	Eastland	Hoey
Bricker	Eaton	Holland
Butler	Ferguson	Hunt
Byrd	Fear	Ives
Cain	Fulbright	Johnson, Colo.
Capehart	George	Johnson, Tex.
Chapman	Gillette	Johnston, S. C.
Chavez	Graham	Kefauver
Connally	Green	Kem
Cordon	Gurney	Kerr

Kilgore	Miller	Sparkman
Knowland	Millikin	Stennis
Langer	Morse	Taylor
Leahy	Mundt	Thomas, Okla.
Lucas	Neely	Thomas, Utah
McCarthy	O'Connor	Thye
McClellan	O'Mahoney	Watkins
McFarland	Pepper	Wherry
McKellar	Robertson	Wiley
McMahon	Russell	Williams
Magnuson	Saltonstall	Withers
Martin	Schoeppel	Young
Maybank	Smith, Maine	

The PRESIDING OFFICER. A quorum is present.

Mr. AIKEN. Mr. President, I should like to make a short statement.

Mr. MAGNUSON. Mr. President, I have two amendments.

Mr. AIKEN. If the Senator from Washington has the floor, of course I shall wait until he concludes.

The PRESIDING OFFICER. The Chair forgot that the Senator from Washington was prepared to speak before we began on this other matter.

Mr. AIKEN. Mr. President, I thought the Senator from Washington had concluded, and that a vote had been taken on a certain amendment.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. What is the question before the Senate?

The PRESIDING OFFICER. The Chair understood the Senator from Illinois to move that the Senate reconsider the vote by which the amendment of the Senator from Delaware [Mr. WILLIAMS] was agreed to.

Mr. LUCAS. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

Mr. CAPEHART. Mr. President, I move to lay on the table the motion to reconsider.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that I may yield the floor for the purpose of having the vote on the motion taken.

The PRESIDING OFFICER. Without objection, the Senator from Washington will be allowed to yield the floor for that purpose, and to assume the floor after the motion is disposed of.

Mr. CAPEHART. Mr. President, I have moved to lay on the table the motion of the able Senator from Illinois to reconsider the vote by which the last amendment, that of the Senator from Delaware, was adopted.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the motion to reconsider offered by the Senator from Illinois.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER. The motion is not debatable.

Mr. PEPPER. Mr. President, I wonder whether the Senator will withhold the motion to lay on the table long enough for some Senator to state what the issue involved in the subject is. Some of us came on the floor after the motion was made, and we desire to know exactly what the point at issue is at this time. Mr. President, will the Senator withhold his motion long enough to permit an explanation from both sides?

Mr. CAPEHART. I have no objection to doing that, by unanimous consent—say for 2 minutes.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and for 2 minutes some Senator will be recognized to explain the situation.

Mr. WILLIAMS. Mr. President, if the amendment is not adopted, and if the Anderson bill passes, the law, as defined by the Department of Agriculture, will include all types of poultry, except broilers. If a broiler is not a chicken, I do not know what kind of animal it is. My argument is that the protection of broilers is just as important to the broiler producers as it is to the producers of meat of any other description. I agree with the Senator from New Mexico it is a little difficult to support meats. I first approached him with the proposition and told him I would go along with striking out the support on all types of meats if he would do it. Then the broiler grower could compete on a basis of equality. But if we are going to support all other types of meats, then let us support the broiler grower on the same basis as turkeys and other types of meats which are sold in competition with broilers. A broiler is a commercial meat-producing animal. The support under this amendment is not made mandatory. It merely says if the Secretary of Agriculture decides to support any of these types of meats, he shall give to the broiler producer the same consideration he gives to them. I see no reason why he should not do so.

Mr. CAPEHART. Mr. President, the amendment offered by the able Senator was agreed to, after which the able Senator from Illinois, the majority leader, moved to reconsider the vote by which the amendment was agreed to. I moved to lay on the table the motion to reconsider; so the question is on agreeing to the motion to lay on the table.

Mr. PEPPER. Mr. President, it was understood, I think, that both sides should have an opportunity to explain. We would like to hear the other side, if there is another side to it.

The PRESIDING OFFICER. Does anyone desire recognition?

Mr. HOLLAND. Mr. President, briefly the objection to the amendment offered by the Senator from Delaware is not to the accomplishment of what he seeks to accomplish, but the accomplishment of what he will accomplish if the amendment is adopted. The amendment says "should price support operations be undertaken with respect to any poultry or meat animal, chickens known as broilers shall also be supported." It then goes ahead to recite the basis upon which that shall be done. The result would be a completely inconsistent situation, for instance, in the event any meat, say beef or hogs, were supported, broilers would be mandatorily supported without necessarily involving chickens at all. Speaking only for the junior Senator from Florida, I am quite willing that the amendment be rejected, to have the Senator reoffer it in the form of supporting broilers in the event chickens generally are supported, which I think would be reasonable and logical. But to have it in

the present form would bring about the most illogical sort of result, anything but the result which the Senator from Delaware I am sure wishes to accomplish.

Mr. WILLIAMS. Mr. President, if the Senator will yield a moment, I may say chickens in general can be supported, and eggs are supported. Broilers are used for the production of meat. They sell in direct competition with other meats. I feel that we should either extend the support program to all kinds of meats, or eliminate them all.

Frankly, I think our whole farm-support program is too high and unfair both to the taxpayers and the consumer. But we cannot correct this by discriminating against just one segment of agriculture. We cannot correct the situation by eliminating the eastern farmers.

Mr. HOLLAND. Mr. President, since there has a following-up of the original explanation, let me simply say the bill, as presented, permits any one of the meat animals to be supported, in the event the need for it exists. For instance, if we should have a heavy crop of turkeys supported, it would not follow at all that there was a shortage or need to support any other crop; and just so, here there is certainly no real reason or consistency at all in saying that broilers shall be supported if some other meat crop—any other meat crop—is supported at the time.

Mr. WILLIAMS. Mr. President—
The PRESIDING OFFICER. The time has expired, under the unanimous-consent agreement. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment of the Senator from Delaware was agreed to. [Putting the question.] In the opinion of the Chair the "noes" have it.

Mr. CAPEHART and Mr. WILLIAMS requested a division.

On a division, the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the amendment of the Senator from Delaware was agreed to.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Delaware.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The Legislative Clerk proceeded to call the roll, and called the name of Mr. AIKEN.

Mr. AIKEN. Mr. President, I have not yet responded to my name, and before I do so I want to say the surest way to kill the permanent farm program will be to load it up with mandatory supports for any and all commodities for which there is sufficient influence with the Congress to have them included in the list.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. The Senator knows a great deal about this subject. Can he explain why the distinction has been made between chickens and broilers? I am unable to follow it.

Mr. AIKEN. If there is any distinction between chickens and broilers, it is a distinction made by the administrative branch of the Government, not by the Congress.

Mr. FULBRIGHT. That is correct.

Mr. AIKEN. The solution is not that we should confuse our legislation; it is to change the interpretation of the administrative branch. We cannot undertake to interpret the law and to state what is intended.

Mr. FULBRIGHT. I was asking the Senator to explain why there should be such a distinction made by the administrative branch. I realize it is a distinction which has been made by the administrative branch.

Mr. AIKEN. I do not undertake to say why the administrative branch makes the rules and regulations it makes, or why it applies them in the manner it does. The Congress ought not to be required to legislate in detail; which is apparently what we have to do.

I have every sympathy for the producers of broilers, I think they should have protection; but, as a matter of fact, I think we should have such administration of our agricultural laws as will give fair and equal protection to everyone. I do not believe we can load up this bill with mandatory supports for commodities. I realize fully why these demands are made. It is because someone does not get supports when others apparently do.

Mr. FULBRIGHT. If the Senator will yield, this is not mandate. It does not say he must support broilers. It is only that he must do so when he supports other kinds of meat.

Mr. AIKEN. The bill which was enacted last year provided that when other poultry was supported, broilers should be supported. I think that would be better, but I would not say that when hogs are supported, broilers should be supported also, or that when beef is supported, broilers should be supported.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. It is not a fact that if this amendment is rejected and the Anderson bill is passed as it is, it will be optional with the Secretary of Agriculture to support any type of poultry except broilers?

Mr. AIKEN. That is true; but I cannot conceive of the Secretary of Agriculture doing that and remaining Secretary very long, if the broiler industry is in such position as to warrant similar support.

Mr. WILLIAMS. If the Senator will yield further, I might point out that the Secretary of Agriculture has got away with that definition of a broiler for 5 years. Last year we redefined it, and now this bill proposed to repeal our definition, and for no reason except to discriminate against the producer of broilers.

Mr. AIKEN. I believe the Secretary of Agriculture of 3 years ago is on the floor of the Senate and perhaps can give a better explanation of why it was done than I can. I believe the shortage of grain had a great deal to do with it during the war years.

Mr. ANDERSON. I have no criticism at all of what the Senator from Delaware has said, but his amendment does not so provide. It says that if any kind of meat is supported, broilers must be supported.

Mr. AIKEN. That is also my objection.

Mr. WILLIAMS. Will the Senator yield further?

Mr. AIKEN. I yield the floor.

Mr. THYE. Mr. President, will the Senator yield at this point?

The PRESIDING OFFICER. The Senator from Vermont has yielded the floor.

Mr. AIKEN. I have yielded the floor, unless there are further questions.

Mr. THYE. The point I wanted to bring out is simply this, that the amendment provides that if there is any support price on any meats, broilers must also be supported. A broiler can be produced in 16 weeks. The Secretary may find himself compelled, because of a depressed condition in beef, pork, turkeys, or chickens, at any future time, to announce that, as Secretary of Agriculture, he will support pork or beef or turkeys at a certain period in the growing season, which may be in August or September. Before the Secretary can carry out what he is hoping to accomplish in supporting the price of pork and beef, producers of broilers have already put another flock of broilers in the baby chick house, and they will go on the market before the Secretary could ever execute the support price on pork or on beef. When it comes to the question of a product which can be produced in anywhere from 16 to 20 weeks, it can defeat any support program which has ever been announced by any Secretary of Agriculture in the past, or which can be announced by any Secretary in the future, so far as the support of pork or beef is concerned, because, by the time relief could be given to the producers of pork or beef, the broilers would undermine it to a point at which the Secretary could not afford to pay the bill from the standpoint of the general public and the Treasury of the United States.

I think the senior Senator from Vermont is absolutely and wholly correct when he says that if we want to load this bill up with 101 amendments we could not do anything which would defeat the bill any more quickly than that.

I was asked by the junior Senator from Utah why I was not successful in the Committee on Agriculture and Forestry in getting honey included in the mandatory support level. The Secretary of Agriculture recognized that if we commenced to spell out categorically support items in the committee, we could defeat ourselves in the attempt to write farm legislation before the bill ever got out of the committee room. That was one reason why the Committee on Agriculture and Forestry would not accept support on honey at the time the subject was being discussed in committee.

So I come back to the point and say to the able Senator from Delaware that if we were to include broilers in a mandatory provision for the Secretary of Agriculture to carry out, nothing in the world could anymore quickly defeat this permanent farm legislation.

Mr. WILLIAMS. If this were a crop produced in Minnesota I think perhaps the Senator would be a little more familiar with it, because on the Delmarva Peninsula the broiler producers produce only broilers. That is their entire business. Last year the entire farm-support program cost approximately \$500,000,000, according to the statement of June 30. Thus the farm program cost the taxpayers in the State of Delaware last year five and a half million dollars, since we pay about 1 percent of the operating expenses of the Government. Our farmers are primarily producers of broilers. If we are to have a price-support program, then let us treat the eastern farmer on a par with the others. As I said before, I would vote to strike out all meats, but if we are going to support the price of pork, lamb, turkeys, and other animals all over the country, then the broiler growers on the Delmarva Peninsula, Georgia, Arkansas, and the other areas are entitled to equal protection in the same type of support. That is all we are asking.

Mr. President, since it is apparent that I will be defeated in my amendment as written, I should like to modify my amendment. I ask unanimous consent to modify it by striking out "meat animals" and make it apply to any type of poultry. That would merely mean that if the Secretary of Agriculture inaugurates support of any type of poultry or turkeys he must offer the same terms to the broiler growers. If the Department should come out with a program of production controls I do not know that they would even vote to accept it but I think it should be offered to them on the same terms as it is offered to any other farm product produced in the other 47 States. Our farmers are taxpayers and I remind the Senators from the western farm area that a successful farmer in the East is just as important to the economy of our country as is a successful farmer in the West.

Our farmers in the East are really being penalized by all these support programs. Under both the present law and the proposed law the price of feed they purchase will be held at artificially high levels while their finished product is allowed to sell on a free market. To make the situation even more unbearable the Department insists upon supporting competitive meats. This situation must be corrected and it is with great reluctance that I ask unanimous consent to modify my amendment in the manner in which I have stated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment offered by the Senator from Delaware is so modified.

Mr. ANDERSON. Mr. President, as modified, I have no objection to the amendment.

Mr. WILLIAMS. Mr. President, the yeas and nays have been ordered. I ask

unanimous consent to withdraw the request for the yeas and nays since the modified amendment seems agreeable.

The PRESIDING OFFICER. Without objection, the request is withdrawn.

The question is on agreeing to the amendment, as modified, offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I have two amendments which I previously sent to the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Washington.

The CHIEF CLERK. On page 16, line 16, it is proposed to insert:

SEC. 416. Subsection (f) of section 22 of the Agricultural Adjustment Act, as reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.) is hereby amended to read as follows:

"(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation."

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the reading of the other amendment be suspended, because I can explain it. Both amendments relate to the same subject.

The PRESIDING OFFICER. Is it the purpose of the Senator to have the two amendments voted on en bloc?

Mr. MAGNUSON. The two amendments relate to the same subject, and they should be voted on en bloc.

Mr. HICKENLOOPER. Has the amendment been printed?

Mr. MAGNUSON. No. I submitted it just today.

The PRESIDING OFFICER. Without objection, the second amendment will not be read, but the two amendments will be voted on en bloc.

Mr. MAGNUSON's second amendment is as follows:

On page 16, line 16, insert the following: "SEC. 416. Section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935 (49 Stat. 773), and reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.) is hereby amended to read as follows:

"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or threaten to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with or threaten to make necessary, any program or operation undertaken, or authorized to be undertaken, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken, or authorized to be undertaken, by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the production in the United States of any agricultural commodity or the amount of any product

processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken or is authorized to be undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency responsible for the administration of the affected program in the United States Department of Agriculture, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts, and the President may by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, or threaten to make necessary, any program or operation referred to in subsection (a) of this section, or reduce substantially the production in the United States of any agricultural commodity or the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being, or threatens to be, undertaken: *Provided*, That no certification under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: *And provided further*, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, grade, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees or quantitative limitations shall not be considered as duties or trade barriers for the purpose of granting any preferential or other concession under any treaty, trade agreement, or other international obligation of the United States: *Provided*, That so long as any proclaimed quantitative limitation provided for in this section is in effect on an imported article, any duties imposed on such article by the Tariff Act of 1930 or import excise taxes imposed on such article by any revenue act shall not be assessed and collected.

"(d) After investigation, report, finding, certification, and proclamation issued pursuant to subsection (c) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exists or may be modified by the President whenever

the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision, findings, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final."

Mr. MAGNUSON. Mr. President, these two amendments relate to the agricultural program in its relationship to our reciprocal trade program.

Section 22 of the Agricultural Adjustment Act, as reenacted by the Agricultural Act of 1948, contains a subsection (f) which reads as follows:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

If my amendment shall be adopted, the section will read:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date without the inclusion of such reservation.

The language presently contained in subsection (f) has been seized upon by certain executive departments as a means of nullifying—for all practical purposes—the protection from excessively injurious imports section 22 was designed to give agricultural industries. Let me illustrate with a specific case.

Mr. President, the case I am about to mention is used merely as an illustration. It does not refer to a crop raised in my area of the country. It is merely a good illustration.

In September 1948 the tree nut industry formally requested an investigation of the effect of imports. In conformity with Executive Order 7233 the application was filed with the Department of Agriculture. That order, together with section 22, established the following routine: The Department was given the responsibility of making a preliminary study, and if warranted, recommending to the President that detailed investigation be undertaken by the Tariff Commission.

If the facts presented to him so dictated, the President would direct the Commission to make the investigation. The Commission would report the results of its investigation to the President and the President would decide whether and in what permissible amounts import fees or quotas should be applied. This then was the long and somewhat tortuous path upon which the tree nut industry embarked when it filed application in September 1948.

The request to recommend an investigation was denied by the Department in a letter dated December 31, 1948. The industry appealed the decision March 23, 1949. The appeal was dismissed May 19, 1949, via a letter signed by the Administrator of Production and Marketing Administration.

Mr. MILLIKIN. Mr. President—
The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. Does this amendment apply to trade treaties which have already been made?

Mr. MAGNUSON. It applies to those which have already been made. The language fits right into language now in existing treaties. The treaties of Geneva, for instance, contain such clauses as we are suggesting, modifying section 22. The 52 other nations which entered into the treaties with us at Geneva expected us to go through a procedure whereby we would change the quotas and the fees when they became injurious to our agricultural products. Every treaty at Geneva contains that clause, but we have never been able to get any action.

Mr. President, I do not care to take too much of the time of the Senate. I have used the tree nut industry as an example, because the officials in Washington discussed that matter for about a year and a half. The amendment would allow the Secretary of Agriculture to make the finding to the President of the United States, and then the President could act, according to the terms of the bill as it is now drawn.

Mr. MILLIKIN. Mr. President, will the Senator permit me to ask unanimous consent to be excused from the remainder of the session today in order that I may attend a conference at 4 o'clock?

Mr. MAGNUSON. Certainly.

Mr. MILLIKIN. I am very much interested in the subject being discussed, but I must go to the conference.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. MAGNUSON. Mr. President, as I was saying, the request to recommend an investigation was denied by the Department in a letter dated December 31, 1948. The industry appealed the decision March 23, 1949. The appeal was dismissed May 19, 1949, via a letter signed by the Administrator of the Production and Marketing Administration.

Shortly after denial of the appeal, several Senators joined me in asking for a conference on the subject with the Secretary of Agriculture. I am sure the Senators from Oregon, the senior Senator from Colorado, and the junior Senator from Georgia, will recall that meeting. The Secretary agreed to reexamine the case personally, and rumors reaching us indicate there is good possibility for a favorable decision.

In denying the industry's appeal, the Department gave as its chief reason the following statement, and I quote from the letter:

The general agreement on tariffs and trade, entered into by 23 nations in Geneva on October 30, 1947, to which the United States is a party, prohibits the imposition by any party of any restriction other than duties, taxes, and other charges, whether through quotas, import or export licenses, or other measures, on the importation of any product of the territory of any other contracting party. Exceptions to this provision are contained in the agreement, but they do not

seem to cover the situation of the four kinds of nuts, as it is at present.

The issue placed before us by that paragraph is double-barreled: First, would a Presidential proclamation establishing import fees or quantitative limitations, as provided in section 22, be in conflict with the general agreements on tariff and trade negotiated at Geneva in 1947; and, second, if so, which should prevail, the statute—in this case section 22—or the agreement negotiated under authority of the Trade Agreements Act? We contended in discussion with the Secretary, and I assert now, that a provision in a trade agreement cannot repeal or render ineffective provisions of section 22. Legislation passed by the Congress and signed by the President cannot be repealed, superseded, or abrogated except by consent of the Congress itself. I admit it can be circumvented by administrative officialism.

The second part of this double-barreled issue, then, is so clearly absurd I will dwell on it no longer. But how about the first? Let me state the issue again in a different way. Is section 22 in basic conflict with the general agreements on trade and tariffs negotiated at Geneva in 1947, or with the proposed International Trade Organization Charter?

To answer that question we need to have in mind the general intent of section 22 and to examine certain general provisions of GATT. In so doing I am laying aside for present purposes the very serious question, namely, whether general provisions of GATT have any status at all, since Congress itself has not ratified them.

Section 22 says in effect: Whenever the Secretary of Agriculture, pursuant to authority granted by the Congress, has placed in effect on a particular commodity a marketing agreement, a price-support program, an export-subsidy program, a school-lunch purchase program, or similar operation, imports shall not be permitted to defeat the purposes of those efforts. In addition it states: Even though such programs may not actually be in effect, action may be taken by the President, if excessive imports seriously threaten to make them necessary. However, before the President takes action, the Tariff Commission shall ascertain the facts—the extent of imports, their effect upon domestic farm producers. The President may impose fees up to 50 percent ad valorem or quantitative limitation within specified limits, if the facts, both domestic and international, convince him such action is warranted.

These, then, are the substance and objectives of section 22. Now what does GATT provide, when a nation, party to the agreements, has in operation programs such as I have described?

The applicable provisions of GATT are as follows.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I was curious about the significance of the amendment. Has the effect of the amendment on re-

So I come back to the point and say to the able Senator from Delaware that if we were to include broilers in a mandatory provision for the Secretary of Agriculture to carry out, nothing in the world could anymore quickly defeat this permanent farm legislation.

Mr. WILLIAMS. If this were a crop produced in Minnesota I think perhaps the Senator would be a little more familiar with it, because on the Delmarva Peninsula the broiler producers produce only broilers. That is their entire business. Last year the entire farm-support program cost approximately \$500,000,000, according to the statement of June 30. Thus the farm program cost the taxpayers in the State of Delaware last year five and a half million dollars, since we pay about 1 percent of the operating expenses of the Government. Our farmers are primarily producers of broilers. If we are to have a price-support program, then let us treat the eastern farmer on a par with the others. As I said before, I would vote to strike out all meats, but if we are going to support the price of pork, lamb, turkeys, and other animals all over the country, then the broiler growers on the Delmarva Peninsula, Georgia, Arkansas, and the other areas are entitled to equal protection in the same type of support. That is all we are asking.

Mr. President, since it is apparent that I will be defeated in my amendment as written, I should like to modify my amendment. I ask unanimous consent to modify it by striking out "meat animals" and make it apply to any type of poultry. That would merely mean that if the Secretary of Agriculture inaugurates support of any type of poultry or turkeys he must offer the same terms to the broiler growers. If the Department should come out with a program of production controls I do not know that they would even vote to accept it but I think it should be offered to them on the same terms as it is offered to any other farm product produced in the other 47 States. Our farmers are taxpayers and I remind the Senators from the western farm area that a successful farmer in the East is just as important to the economy of our country as is a successful farmer in the West.

Our farmers in the East are really being penalized by all these support programs. Under both the present law and the proposed law the price of feed they purchase will be held at artificially high levels while their finished product is allowed to sell on a free market. To make the situation even more unbearable the Department insists upon supporting competitive meats. This situation must be corrected and it is with great reluctance that I ask unanimous consent to modify my amendment in the manner in which I have stated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment offered by the Senator from Delaware is so modified.

Mr. ANDERSON. Mr. President, as modified, I have no objection to the amendment.

Mr. WILLIAMS. Mr. President, the yeas and nays have been ordered. I ask

unanimous consent to withdraw the request for the yeas and nays since the modified amendment seems agreeable.

The PRESIDING OFFICER. Without objection, the request is withdrawn.

The question is on agreeing to the amendment, as modified, offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I have two amendments which I previously sent to the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Washington.

The CHIEF CLERK. On page 16, line 16, it is proposed to insert:

SEC. 416. Subsection (f) of section 22 of the Agricultural Adjustment Act, as reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.) is hereby amended to read as follows:

"(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation."

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the reading of the other amendment be suspended, because I can explain it. Both amendments relate to the same subject.

The PRESIDING OFFICER. Is it the purpose of the Senator to have the two amendments voted on en bloc?

Mr. MAGNUSON. The two amendments relate to the same subject, and they should be voted on en bloc.

Mr. HICKENLOOPER. Has the amendment been printed?

Mr. MAGNUSON. No. I submitted it just today.

The PRESIDING OFFICER. Without objection, the second amendment will not be read, but the two amendments will be voted on en bloc.

Mr. MAGNUSON's second amendment is as follows:

On page 16, line 16, insert the following: "Sec. 416. Section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935 (49 Stat. 773), and reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.) is hereby amended to read as follows:

"Sec. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or threaten to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with or threaten to make necessary, any program or operation undertaken, or authorized to be undertaken, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken, or authorized to be undertaken, by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the production in the United States of any agricultural commodity or the amount of any product

processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken or is authorized to be undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency responsible for the administration of the affected program in the United States Department of Agriculture, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts, and the President may by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, or threaten to make necessary, any program or operation referred to in subsection (a) of this section, or reduce substantially the production in the United States of any agricultural commodity or the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being, or threatens to be, undertaken: *Provided*, That no certification under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: *And provided further*, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, grade, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees or quantitative limitations shall not be considered as duties or trade barriers for the purpose of granting any preferential or other concession under any treaty, trade agreement, or other international obligation of the United States: *Provided*, That so long as any proclaimed quantitative limitation provided for in this section is in effect on an imported article, any duties imposed on such article by the Tariff Act of 1930 or import excise taxes imposed on such article by any revenue act shall not be assessed and collected.

"(d) After investigation, report, finding, certification, and proclamation issued pursuant to subsection (c) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exists or may be modified by the President whenever

the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision, findings, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final."

Mr. MAGNUSON. Mr. President, these two amendments relate to the agricultural program in its relationship to our reciprocal trade program.

Section 22 of the Agricultural Adjustment Act, as reenacted by the Agricultural Act of 1948, contains a subsection (f) which reads as follows:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

If my amendment shall be adopted, the section will read:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date without the inclusion of such reservation.

The language presently contained in subsection (f) has been seized upon by certain executive departments as a means of nullifying—for all practical purposes—the protection from excessively injurious imports section 22 was designed to give agricultural industries. Let me illustrate with a specific case.

Mr. President, the case I am about to mention is used merely as an illustration. It does not refer to a crop raised in my area of the country. It is merely a good illustration.

In September 1948 the tree nut industry formally requested an investigation of the effect of imports. In conformity with Executive Order 7233 the application was filed with the Department of Agriculture. That order, together with section 22, established the following routine: The Department was given the responsibility of making a preliminary study, and if warranted, recommending to the President that detailed investigation be undertaken by the Tariff Commission.

If the facts presented to him so dictated, the President would direct the Commission to make the investigation. The Commission would report the results of its investigation to the President and the President would decide whether and in what permissible amounts import fees or quotas should be applied. This then was the long and somewhat tortuous path upon which the tree nut industry embarked when it filed application in September 1948.

The request to recommend an investigation was denied by the Department in a letter dated December 31, 1948. The industry appealed the decision March 23, 1949. The appeal was dismissed May 19, 1949, via a letter signed by the Administrator of Production and Marketing Administration.

Mr. MILLIKIN. Mr. President—
The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. Does this amendment apply to trade treaties which have already been made?

Mr. MAGNUSON. It applies to those which have already been made. The language fits right into language now in existing treaties. The treaties of Geneva, for instance, contain such clauses as we are suggesting, modifying section 22. The 52 other nations which entered into the treaties with us at Geneva expected us to go through a procedure whereby we would change the quotas and the fees when they became injurious to our agricultural products. Every treaty at Geneva contains that clause, but we have never been able to get any action.

Mr. President, I do not care to take too much of the time of the Senate. I have used the tree nut industry as an example, because the officials in Washington discussed that matter for about a year and a half. The amendment would allow the Secretary of Agriculture to make the finding to the President of the United States, and then the President could act, according to the terms of the bill as it is now drawn.

Mr. MILLIKIN. Mr. President, will the Senator permit me to ask unanimous consent to be excused from the remainder of the session today in order that I may attend a conference at 4 o'clock?

Mr. MAGNUSON. Certainly.

Mr. MILLIKIN. I am very much interested in the subject being discussed, but I must go to the conference.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. MAGNUSON. Mr. President, as I was saying, the request to recommend an investigation was denied by the Department in a letter dated December 31, 1948. The industry appealed the decision March 23, 1949. The appeal was dismissed May 19, 1949, via a letter signed by the Administrator of the Production and Marketing Administration.

Shortly after denial of the appeal, several Senators joined me in asking for a conference on the subject with the Secretary of Agriculture. I am sure the Senators from Oregon, the senior Senator from Colorado, and the junior Senator from Georgia, will recall that meeting. The Secretary agreed to reexamine the case personally, and rumors reaching us indicate there is good possibility for a favorable decision.

In denying the industry's appeal, the Department gave as its chief reason the following statement, and I quote from the letter:

The general agreement on tariffs and trade, entered into by 23 nations in Geneva on October 30, 1947, to which the United States is a party, prohibits the imposition by any party of any restriction other than duties, taxes, and other charges, whether through quotas, import or export licenses, or other measures, on the importation of any product of the territory of any other contracting party. Exceptions to this provision are contained in the agreement, but they do not

seem to cover the situation of the four kinds of nuts, as it is at present.

The issue placed before us by that paragraph is double-barreled: First, would a Presidential proclamation establishing import fees or quantitative limitations, as provided in section 22, be in conflict with the general agreements on tariff and trade negotiated at Geneva in 1947; and, second, if so, which should prevail, the statute—in this case section 22—or the agreement negotiated under authority of the Trade Agreements Act? We contended in discussion with the Secretary, and I assert now, that a provision in a trade agreement cannot repeal or render ineffective provisions of section 22. Legislation passed by the Congress and signed by the President cannot be repealed, superseded, or abrogated except by consent of the Congress itself. I admit it can be circumvented by administrative officialism.

The second part of this double-barreled issue, then, is so clearly absurd I will dwell on it no longer. But how about the first? Let me state the issue again in a different way. Is section 22 in basic conflict with the general agreements on trade and tariffs negotiated at Geneva in 1947, or with the proposed International Trade Organization Charter?

To answer that question we need to have in mind the general intent of section 22 and to examine certain general provisions of GATT. In so doing I am laying aside for present purposes the very serious question, namely, whether general provisions of GATT have any status at all, since Congress itself has not ratified them.

Section 22 says in effect: Whenever the Secretary of Agriculture, pursuant to authority granted by the Congress, has placed in effect on a particular commodity a marketing agreement, a price-support program, an export-subsidy program, a school-lunch purchase program, or similar operation, imports shall not be permitted to defeat the purposes of those efforts. In addition it states: Even though such programs may not actually be in effect, action may be taken by the President, if excessive imports seriously threaten to make them necessary. However, before the President takes action, the Tariff Commission shall ascertain the facts—the extent of imports, their effect upon domestic farm producers. The President may impose fees up to 50 percent ad valorem or quantitative limitation within specified limits, if the facts, both domestic and international, convince him such action is warranted.

These, then, are the substance and objectives of section 22. Now what does GATT provide, when a nation, party to the agreements, has in operation programs such as I have described?

The applicable provisions of GATT are as follows.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I was curious about the significance of the amendment. Has the effect of the amendment on re-

ciprocal trade agreements ever been considered by the Committee on Foreign Relations?

Mr. MAGNUSON. No; it has not.

Mr. FULBRIGHT. Is this the first time it has ever been submitted?

Mr. MAGNUSON. I believe it was submitted on the floor to an agricultural bill and discussed, but it was not agreed to.

Mr. FULBRIGHT. If I understand the language "unconditional right to unilaterally impose the fees and quantitative limitations" correctly, that means the unconditional right to do as we please about any agreement we have already made. Is that correct?

Mr. MAGNUSON. No; to do so within the agreements and within the 50-percent flexibility permitted the President, which section 22 says shall be done.

Mr. FULBRIGHT. Section 22 of the Agricultural Act.

Mr. MAGNUSON. Of the Agricultural Act.

Mr. FULBRIGHT. Not of the Reciprocal Trade Agreements Act.

Mr. MAGNUSON. No. I will read article XI of the Reciprocal Trade Agreements Act.

Mr. FULBRIGHT. If the Senator is willing to tell us, I should be interested in knowing what effect this would have on reciprocal trade.

Mr. MAGNUSON. Yes. I want to read article XI signed by 23 nations. Article XI says:

ARTICLE XI

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import, or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any products of the territory of any other contracting party or on the exportation or sale for export of any product destined to the territory of any other contracting party.

That is section 1. I now read section 2 of article XI:

2. The provisions of paragraph 1 shall not extend to the following:

(c) import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic agricultural or fisheries product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, or a domestic agricultural or fisheries product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level.

It is clearly evident from this language that each of the 23 nations which negotiated at Geneva recognized the necessity, under certain circumstances, of reserving for itself the right of protecting certain domestic farm programs from being rendered ineffective by excessive imports. To do otherwise would have been unrealistic and in all probability would have resulted in no agreement.

Some will argue that invocation of the relief provided in section 22 would violate the spirit, if not the written word—I do not think it follows the written words as I have read them—of our trade agreements. To them I say: "Let us be honest. Let us either tell our foreign friends we intend to use section 22 whenever circumstances justify it; or, by writing section 22 off the books, let us tell the American agricultural producer we have judged unnecessary the safety valve it represents."

The amendment I am proposing seeks to clarify the relationship between section 22 and trade agreements hereafter negotiated or extended, to which we are a party.

I will say to the Senator from Arkansas, that, of course, it would affect only the language as it would be interpreted, of the trade agreements now in existence.

I have always supported the reciprocal trade program. I expect to continue doing so. Reluctantly, however, I have come to the conclusion this amendment is necessary. If the intent of Congress on the subject is not spelled out, great segments of agriculture desperately in need of section 22 relief will be denied it. The pressure resulting from such relief, consistently refused, will ultimately destroy the very program this safety valve was designed to protect, the very program some of our blindest free traders think they are promoting, when they resist indiscriminately all efforts to utilize section 22 machinery.

Mr. President, the second amendment which is a part of what we are attempting to do in clarifying section 22, also relates to section 22, but it changes administrative procedure. I shall place in my remarks an explanation and argument for the amendment simplifying administrative procedure under section 22, so it will not be necessary to go through the rigmarole of passing through the Tariff Commission, of going through various departments, which usually take so long that by the time the evil desired to be corrected is attempted to be corrected, the evil has already done its work, and the industry or the product involved has been seriously hurt.

I ask unanimous consent to have the explanation placed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION AND ARGUMENT FOR AMENDMENT SIMPLIFYING ADMINISTRATIVE PROCEDURE UNDER SECTION 22

The amendment I have just offered is designed to simplify the administrative procedure under section 22. It places the responsibility for determining facts related to agricultural imports entirely in the hands of the Secretary of Agriculture.

Under section 22, as presently written, responsibility for making a thorough investigation to determine the facts on imports resides in the Tariff Commission. Records of the Commission show that minimum time required by them for making investigations in the past, under section 22, is from 10 to 11 months. In the case of perishables, this time lag is so excessive the marketing season is over, the damage is done before the Commission ever gets around to acting.

Aside from the time lag, there is sound reason for placing the responsibility with the Secretary of Agriculture.

Section 22 is a part of our over-all farm program. It is intimately related to price supports, marketing agreements, acreage allotments, school lunch purchases of surplus commodities and all of the several activities authorized by section 32, such as export subsidy or diversion programs. The statutes which give the Secretary authority to institute such programs I have just mentioned, center entire responsibility in the Department of Agriculture.

There is no doubt that the magnitude in dollar cost of these programs is affected by imports. For example, last year the Secretary was supporting the price of potatoes at 90 percent of parity. Substantial quantities were shipped into this country from Canada. In effect, taxpayers of this country were placed in the position of supporting not only our own production, which was excessive almost to the point of disaster, but also the quantities shipped into our markets by our Canadian friends. I am not saying that section 22 should have been invoked against Canadians last year, but I do believe any reasonable man would admit there should be an expeditious method of investigating such a situation and, on the facts, determine whether some import restriction should be imposed.

Since domestic production, plus imports, constitute the over-all supply with which the Secretary has to deal, it seems only logical he should have authority to meet the situation in its entirety—subject, of course, to concurrence by the President in any recommendation the Secretary transmits after determining the facts. In my judgment the Secretary cannot discharge the great responsibility resting upon him in connection with the over-all farm program, without the revision of section 22 along the line contemplated by my amendment.

Briefly, here's what the amendment does. First, it transfers the fact-finding function from the Tariff Commission to the Secretary of Agriculture. Second, the Secretary of Agriculture will conduct an investigation of the effect of imports upon agricultural programs, either on his own motion or in response to application by the affected industry. Third, he must give public notice of such investigation and give all parties at interest an opportunity to be heard. Fourth, if the facts warrant such action he will report to the President the results of his investigation, together with recommendations for appropriate action.

Appropriate action may include imposition of an import fee or quota, within the limits already defined in section 22. Fifth, if the President concurs, the President by proclamation will place those recommendations in effect for whatever period of time circumstances require.

I recognize there is one reasonably valid argument which may be used against this procedure. Supposedly the Tariff Commission is an independent body, a creature of the Congress, established to deal specifically with tariff matters. In theory any investigation conducted by the Commission would be unbiased—would take into account the over-all public interest in such matters. This argument, however, in my judgment, is not sufficiently compelling to outweigh the advantages of having undivided authority over the supply situation, centered in the Secretary of Agriculture, whenever imports, as a part of that total supply, threaten the effectiveness of a farm program, such as a marketing agreement, price support, school lunch purchase, or similar operations.

In determining initially whether such farm operations were justified, the Congress certainly considered the over-all public interest in stabilization of farm prices. Hence, having determined that price supports and re-

lated operations are in the over-all public interest, it seems appropriate for the Congress through section 22 to insure that those programs are not rendered ineffective and that their cost is held to a minimum.

I hope members of the Agriculture Committee and every other Senator will examine carefully this simplifying amendment and will conclude as I have that section 22 machinery must be made usable if the objectives of that section are to be realized.

Mr. MAGNUSON. The other section merely provides that instead of such procedure as I have described, the matter shall go to the Secretary of Agriculture and he shall then determine the facts for presentation to the Tariff Commission, which in turn will report to the President. We say that on agricultural matters the Secretary of Agriculture can make the determination and the President can act as he sees fit under the act and under section 22, on the facts received by him from the Secretary of Agriculture, rather than to receive the information from the Tariff Commission, which sometimes requires so much time that before the facts are presented the harm is done.

For instance, there was some discussion on the floor of the Senate today about Canadian potatoes. If the amendment should be adopted, the Secretary of Agriculture, who knows most about the subject, and who can quickly determine the facts, could directly report to the President and say, "Here are the facts. You can act as you see fit to correct the situation."

So far as the importation of Canadian potatoes is concerned, the result is to make our market situation worse, and cost us more to support it. Under present procedure nearly 2 years would be required before the Tariff Commission could act. Sometimes in similar cases more time would be required. Our amendment would simplify the procedure. I think it would clarify section 22, and is in the spirit and the intent of the reciprocal-trade agreements.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. I should like to make an inquiry of the senior Senator from Washington, as to whether or not the legal effect of the amendment offered would be to give to the President, upon recommendation of the Secretary of Agriculture, the information as to the true condition of surpluses in this country, the true condition as to the effect the imports would have on those surpluses, and to put in the President's possession the knowledge which would permit him to correct a condition which in this country might well result in bankruptcy in certain segments of agriculture if the surpluses were allowed to accumulate, and then the whole product must still have foreign competition added to an already glutted market?

Mr. MAGNUSON. That is correct. Of course, it does not give the President any added power. It is only the power the President now has, within the agreements we have made, and the power he has to lower the tariff by 50 percent. It does not give him any additional power. It merely clarifies the administrative

procedure for obtaining the information upon which the President may act, and it clarifies the spirit of section 22 if there is any difference in effect between section 22 and the Reciprocal Trade Agreements Act. Some departments claim there is and that therefore they cannot act, such as in the case of the tree-nut industry with which the Senator from Oregon had much to do.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CAPEHART. Is not this provision similar to the so-called peril-point amendment we discussed some weeks ago in the Senate?

Mr. MAGNUSON. I would say it is not similar. It calls attention to a situation in agriculture which might be classified as a peril-point situation.

Mr. CAPEHART. Would not the end result of the Senator's amendment be practically the same as the end result had we adopted the peril-point amendment offered by the Senator from Colorado [Mr. MILLIKIN]?

Mr. MAGNUSON. That is the end result as to the information; but there would be no change in whatever authority the President now has.

Mr. CAPEHART. In other words, this amendment, in effect, would say to the President, through the Secretary of Agriculture, "You must impose a certain tariff, and you should not permit more than X amount of imports."

Mr. MAGNUSON. No. Let us take the potato situation as an example. There is a large surplus. The Secretary of Agriculture would say to the President, "Here are the facts. Canada is shipping in so many potatoes. In effect, it is making the market even worse, and it is therefore costing us more to support the price of potatoes." The President's authority to do something about it would be only the authority which now exists.

Mr. CAPEHART. What might the President do under those circumstances?

Mr. MAGNUSON. If he followed out the intent of section 22, he could reduce the amount of imports of potatoes.

Mr. CAPEHART. And also raise the tariff.

Mr. MAGNUSON. Up to 50 percent.

Mr. CAPEHART. If I remember correctly, the peril-point provision which we debated not so very long ago applied equally and with exactly the same effect to manufactured products—in fact, to all imports—just as this amendment applies to agricultural products.

Mr. MAGNUSON. The peril-point provision was different in this respect: As I recall the main amendment, we said that the President would report to the Congress when an item reached the condition which we called the peril-point. In this case the Congress has nothing to do with it.

Mr. CAPEHART. I understand that; but the end result and the purpose are one and the same. The peril-point amendment was offered in order to prevent imported goods being sold in this country in competition with our goods when there was a surplus, or when our costs were so high that our people could

not compete. This amendment would do the same thing so far as agricultural products are concerned, would it not?

Mr. MAGNUSON. I think the two have something in common, except that the peril-point provision involved congressional action. This amendment involves only action by the Secretary, and the authority which the President now has.

Mr. CAPEHART. My point is that if a peril-point amendment in this instance—and I regard the proposed amendment of that nature—is a good thing, it likewise should be a good thing for all imports, should it not?

Mr. MAGNUSON. I think a great deal depends on how we determine the peril point. I voted against the peril-point provision in connection with the Reciprocal Trade Agreements Act for one reason, and that was that the decision was put up to Congress. In my opinion that would lead back to the old log-rolling days in Congress.

Mr. CAPEHART. As I recollect, the peril-point amendment provided that the President was to notify Congress as to his reasons for doing certain things. He did not put the decision up to Congress. As I read the Senator's amendment, the end result would be, and the purpose is, to establish with respect to agricultural products a peril point beyond which the President or the Tariff Commission may not go. Is that correct?

Mr. MAGNUSON. The Senator's interpretation is not quite correct. I am merely clarifying what is done now. If a peril-point administrative procedure exists now, I do not change it. I merely clarify it. Under section 22 there is, in effect, almost a peril point on agricultural products when there are surpluses. All I do is to clarify the situation in relation to the Reciprocal Trade Agreements Act. Second, I simplify the procedure. Under the present law the Tariff Commission can act. I say that the Secretary of Agriculture, who knows more about the subject than any other man, shall report to the President. Under the present arrangement he reports to the Tariff Commission, which, in turn, studies the situation and reports to the President, and in turn the report comes back to the Secretary of Agriculture.

Mr. CAPEHART. If the President finds a surplus, he may well increase the tariff. He may likewise decrease the amount of the product coming in.

Mr. MAGNUSON. Whatever authority he now has would still continue.

Mr. CAPEHART. That, in essence, is the same as the peril-point provision which we debated some time ago.

Mr. MAGNUSON. Yes; but my amendment is not that. That provision is already in the law, in section 22 of the 1948 act.

Mr. President, I wish to ask the Senator from New Mexico a question. This is an important amendment, and I am sure that many Senators would like to consider it. Unfortunately the amendment was not ready until today. I wonder if the Senator from New Mexico would agree to reserve action on this amendment until later, unless we are to finish consideration of the bill tonight.

Mr. ANDERSON. If we are to finish consideration of the bill tonight, we shall have to take action on the Senator's amendment; but if we do not, I shall be glad to postpone action on the Senator's amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 934. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland; and

S. 2085. An act to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5328) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. MORRISON, Mr. MILLER of California, Mr. REES, and Mrs. ST. GEORGE were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4495) to provide additional benefits for certain postmasters, officers, and employees in the postal field service with respect to annual and sick leave, longevity pay, and promotion, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. DAVIS of Georgia, Mr. WILLIAMS, Mr. REES, and Mr. HAGEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5332) to amend section 3 of the act of June 18, 1934, relating to the establish-

ment of foreign-trade zones; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. BOGGS of Louisiana, Mr. WOODRUFF, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5931) to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. MORRISON, Mr. MILLER of California, Mr. REES, and Mr. SADLAK were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following bills and joint resolution, and they were signed by the Vice President:

S. 2042. An act to authorize the Secretary of the Interior to complete construction of the irrigation facilities and to contract with the water users on the Buffalo Rapids project, Montana, increasing the reimbursable construction cost obligation, and for other purposes;

S. 2372. An act to amend the Atomic Energy Act of 1946;

H. R. 165. An act to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes;

H. R. 605. An act for the relief of the estate of James B. Stirling;

H. R. 733. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claim of Frank Haegle;

H. R. 752. An act conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich.;

H. R. 1106. An act for the relief of King V. Clark;

H. R. 1458. An act for the relief of Joseph R. Gregory;

H. R. 1474. An act to confer jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Miguel A. Viera for damages sustained as the result of an accident involving a United States Army truck at Leghorn, Italy, on January 11, 1946;

H. R. 1864. An act for the relief of the legal guardian of Mitsuo Higa, a minor, and Hilo Sugar Company;

H. R. 1950. An act for the relief of certain consultants formerly employed by the Technical Industrial Intelligence Committee of the Foreign Economic Administration, and for other purposes;

H. R. 3081. An act for the relief of the estate of Maurice G. Evans;

H. R. 3598. An act for the relief of Mrs. Katherine Gehrlinger;

H. R. 4029. An act to authorize the Secretary of the Interior to procure for the Ever-

glades National Park with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and a part of that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes;

H. R. 4094. An act for the relief of Bunge North-American Grain Corp., the Corporacion Argentina de Productores de Carnes, Herman M. Glidden, and the Overseas Metal and Ore Corp.;

H. R. 5134. An act to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project;

H. R. 5148. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim or claims, of Hilda Links, and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska;

H. R. 5764. An act to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; and

S. J. Res. 53. Joint resolution to provide for the reforestation and revegetation of the forest and range lands of the national forests, and for other purposes.

THOMAS JORDON

Mr. MORSE. Mr. President, I ask unanimous consent, out of order, to introduce a bill at this time, and have it appropriately referred. I think it will be referred to the Committee on the Judiciary.

There being no objection, the bill (S. 2632) to authorize the District Court of the United States for the District of Columbia to hear and determine a motion for a new trial for Thomas Jordon, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MORSE. Mr. President, in explanation of the bill I wish to make a few brief comments.

The bill which I have introduced would authorize the District Court of the United States for the District of Columbia to hear and determine on its legal merits a motion for a new trial for Thomas Jordon, now serving a life sentence for the murder of Elizabeth Joyne in the city of Washington on April 4, 1931. My reason for sponsoring this bill is that after examining the records of the case I think serious doubt exists that Jordon is guilty of the murder for which he has already been in prison over 15 years and for which he was originally sentenced to death, and which death sentence was commuted by President Roosevelt to life imprisonment on the then-announced grounds of doubt of his guilt.

The President's action followed and was the direct result of an investigation of Jordon's trial by a special congressional committee appointed for that specific purpose which sat for several days behind closed doors, heard the testimony of eyewitnesses to the supposed shooting and murder who were never called at Jordon's trial. Immediately following that exhaustive closed hearing, what was in effect a retrial of the murder charges, the committee reported that if those witnesses had been called Jordon would have been acquitted. I am informed that the

lating to the establishment of foreign-trade zones, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. WILLIAMS conferees on the part of the Senate.

COMPOSITION OF ARMY AND AIR FORCE

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 1437) to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHAPMAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD, Mr. CHAPMAN, Mr. JOHNSON of Texas, Mr. GURNEX, and Mr. SALTONSTALL conferees on the part of the Senate.

REHABILITATION OF NAVAJO AND HOPI TRIBES OF INDIANS—CONFERENCE REPORT

Mr. McFARLAND. Mr. President, I submit a conference report on Senate bill 1407, to promote the rehabilitation of the Navajo and Hopi Tribes of Indians, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate;

The report was read.

(For conference report, see House proceedings of September 22, 1949, pp. 13435-13437.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. AIKEN. Mr. President, I should like at this time to make a brief over-all statement in regard to the bill sponsored by our colleague, the Senator from New Mexico.

First, I should like to say that up until 1948 all price-support legislation, so far as I know, had been emergency legislation. We had enacted legislation to get the farmers and our national economy out of trouble after they had gotten into trouble. Congress was well aware of that situation. In 1947, when it became clear that emergency war legislation should not continue indefinitely, Congress authorized the Agricultural Committees of

both Houses to make a study of the needs and trends of agriculture and to recommend legislation to their respective Houses. The Agricultural Act of 1948 was the outgrowth of that directive on the part of both Houses of Congress. Title I of that act, as all of us know, is the part insisted upon by the House of Representatives, and it continued 90-percent rigid supports for the crop year 1949. Title II of the act is the long-range price-support program which was approved by the Senate by a vote of 78 to 3—practically a unanimous vote. That legislation was nonpartisan in nature; no question of partisanship ever entered into it. It was formulated as far as possible from any election. It appeared to those of us who formulated the bill that we had done the best that it was possible to do in the field of permanent farm price-support legislation. We knew what we meant by the bill and its provisions.

More recently—within the last few months—it has appeared, however, that the Secretary of Agriculture might be placing upon some provisions of the act a different interpretation than the one which the Congress which formulated the act had intended to have placed upon it. It was quite disturbing to find such different interpretations hinted at or actually brought out.

The interpretation of the act as originally made by the Office of the Solicitor of the Department of Agriculture followed almost exactly the intent of Congress. When it appeared that the Secretary of Agriculture might be placing different interpretations upon certain provisions of the act, it also appeared that the Congress could, if it so wished, enact further legislation which would strengthen the 1948 act and make certain that the Secretary of Agriculture would carry out the purposes of that act by spelling out the provisions.

The 1948 act was based upon two principles for which all major farm organizations and the Department of Agriculture had been working for years, namely, a revised parity formula and a flexible support floor for basic commodities. Those principles were written into the act. They are continued in the Anderson bill which is now before us.

I wish to say that I have frequently been in conference with the author of this bill, and I do not find myself in disagreement with his purposes. There are a few changes which in my opinion would improve the Anderson bill, and I should like to point them out here.

Before doing so, I wish to say there has been a great deal of propaganda throughout the country, particularly through the great agricultural regions of the Midwest, intended to convince the farmers of that region that under title II of the 1948 act, effective on January 1, 1950, they would find their supports cut to 60 percent of parity. As has frequently been pointed out by the Senator from New Mexico, that is not the case. The range of price supports for basic commodities under the 1948 act is from 72 percent to 90 percent of parity. Seventy-two percent is the minimum or the floor which can be put under a basic commodity.

It is true the formula in the act runs from 60 to 90 percent of parity, but the area between 60 and 72 percent is always inoperative. It is used only as a base for determining the actual floor; and the lowest actual floor is 72 percent. The Secretary at all times under the 1948 act could fix a support for a basic commodity up to 90 percent; but he could never go below the floor as fixed by the formula in the bill. I shall not here undertake to elaborate on that. The bill we are now considering provides a range of 75 to 90 percent, in comparison with the 72 to 90 percent of the 1948 bill. I think the 75 to 90 percent is perfectly all right. In fact, the minimum probably would not be dropped below 75 percent under the bill passed last year, anyway. I should have preferred a single formula in the Anderson Act, but I see no serious harm in having the three formulas included in it.

I should like to point out a few of the weaknesses of the bill as I see them. The first is found on page 2, where there is a requirement that cotton and peanuts shall be supported at 90 percent, if the supply percentage as of the beginning of the marketing year is not more than 108 percent. I can see no reason for giving cotton the 90-percent support with 108-percent supply. I can see no reason for including peanuts in the same category as cotton. Peanuts rank somewhere around eighteenth to twentieth in importance among our crops. They have been favored by being placed with the top six. That, as the Senator from New Mexico said, is due to the good operations of the peanut growers. I almost asked him whether he meant cultural operations only. Nevertheless, peanuts should not be put at the top of the list, because we have so many other commodities far more important.

On page 3, there is a provision which says "the level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect."

The effect of the provision will be to guarantee 90-percent support to wheat, corn, cotton, and tobacco for this coming year. The rigid 90-percent support provided in title I of the Agricultural Act of 1948 has got us already into a good deal of trouble. In fact, I shall be very much surprised if title I of the 1948 act does not result in completely exhausting the borrowing power of the Commodity Credit Corporation before next spring.

The effect of the provision would be to continue title I of the 1948 act for another year, as far as basic commodities are concerned.

I have disagreed with the over-all philosophy of the Brannan plan as expressed by the Secretary of Agriculture, but that does not mean that I always disagree with the Secretary of Agriculture; I do not. I certainly do not disagree with that part of the Brannan plan which was lifted bodily out of the Agricultural Act of 1948; and a considerable part of it was. I do not disagree with the attitude of the Secretary of

Agriculture toward a continuation of the rigid 90-percent supports for another year, although, for the life of me, I cannot see how it would be more dangerous than 100-percent support.

I was interested in reading in the United States News and World Report of April 29, 1949, an interview which the editors had with the Secretary of Agriculture. The last question, on page 35, of that issue, addressed to the Secretary of Agriculture, reads as follows:

Question. Isn't the Congress likely to continue the 90-percent of parity without doing anything else?

The answer of Secretary Brannan reads as follows:

If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far.

Another year of big production, with the present program continued, would show so much money involved in farm programs that I don't think any taxpayer could stand it.

With that statement of the Secretary of Agriculture I am in full agreement. I would say further, Mr. President, it is hardly consistent on the part of anyone to cry "statism" at the Brannan plan and support high rigid 90-percent incentive supports which would have the effect of bringing about as much statism, or almost as much any way, as the Brannan plan itself would bring about. I will let anyone put his own definition on statism; I have not learned the correct definition yet.

Going to page 4 of the Anderson bill, I find another place where I think it could have been improved. Under section 201—

The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for shorn wool, mohair, tung nuts, Irish potatoes, milk, and butterfat, as follows—

It then continues. I do not think we ought to include all the lesser commodities in the list of commodities which should receive mandatory supports. There is some reason for including tung nuts, because tung oil is a strategic material. However, I would not have included that; I would have given full authority to the Secretary to support the price of tung oil.

Mr. HOLLAND. Mr. President, will the Senator yield for a question at that point?

Mr. AIKEN. I yield.

Mr. HOLLAND. Does the Senator not think another reason for including tung nuts and for justifying the inclusion of tung nuts is that the most of the world production, other than here in the United States, is south of the Yangtze River, in that portion of China which is now being overrun by the Communists, and that in the event of international trouble later, we would shortly, and almost certainly, find ourselves cut off entirely from that outside source?

Mr. AIKEN. The Senator from Florida has stated the situation correctly. If it were not for the strategic value of the tung nut and its need in our plans for

national security, I would not approve including tung nuts and tung oil in the list, because they are not of sufficient economic importance. However, in view of the statement made by the Senator from Florida, and the fact that tung oil is a military necessity, I think it might be well not to become dependent on some remote part of the world for our supply. I am not objecting to the inclusion of tung nuts.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. AIKEN. I yield.

Mr. HOLLAND. Does not the Senator think another good reason for the inclusion of tung nuts and tung oil in the program of mandatory control in addition to the best reason, which he has already stated, is that it is a tree crop, which, if it is allowed to become unprofitable, so that the trees are neglected, might easily bring us to a stage where it would take us several years to come back into commercial production?

Mr. AIKEN. I think the second reason stated by the Senator from Florida ties into the first reason he has given.

Mr. President, I have every sympathy in the world for the producers of mohair, but, as a matter of fact, the value of that crop is somewhat less than the value of the maple syrup crop and approximately 75 other commodities.

Then there is honey, on which supports have been made mandatory by an amendment which has just been adopted by the Senate this afternoon. Honey is necessary to the production of many other crops, which are very important. Bees and bugs are actually necessary to the existence of human beings. I do not believe honey producers would have asked for mandatory support of honey; I doubt if the mohair producers would have asked for mandatory support for mohair, except for one reason, and that is that the Secretary of Agriculture had intimated to them that he was not going to support the price of honey and many other nonbasic commodities. Probably during the next 2 or 3 months he will not have the money to do so, but he will have full authority to do it. After the 1st of January 1950, he can support mohair, honey, or almost any nonbasic commodity. He can use funds for that purpose under the Agricultural Act of 1948 or under the Anderson bill, without having the commodities specifically written into the bill. But the fact is that after these producers have been given to understand they are not likely to get supports, no matter how distressed they may become, they come to the Congress and ask to have supports for their commodities made mandatory.

I received a letter from the President of the American Beekeeping Federation, which, I think, explains very clearly why we are asked to write mandatory supports into the bill for certain nonbasic commodities.

The letter discusses the troubles of the beekeepers, stating that they have complimented the Senator from New Mexico [Mr. ANDERSON] on his recent stand in opposition to the Brannan proposal.

I come to this paragraph:

Secretary Brannan has told us that, if his program was accepted, honey might well

find a place in it. Mr. Overby's committee of 20 top officials of the Department asked PMA to consider a price-support program for honey. Mr. Trigg replied that the Department did not think it advisable at this time to assume the obligation of a price-support program for honey.

Maybe I should read the next sentence:

We can only think that there is possible political significance in their so doing favoring our supporting the Brannan proposal.

That is the reason, Mr. President, that the lesser commodity producers are asking for support prices. They do not want to make support of their commodities contingent upon support of a philosophy in which they do not believe. That is what they are being asked to do.

There is also involved, Mr. President, a matter of milk and dairy products. In the Agricultural Act of 1948 it was held that a fair over-all interpretation of the act would make supports for dairy products and other products comparable to the Steagall commodities mandatory if those commodities should become distressed. But the Secretary indicated his doubt as to his ability to support animal products, including meats, dairy products, and poultry products under the 1948 act. There was no doubt at all in the minds of the men who formulated the act, and I do not think there was any doubt in the mind of the Solicitor of the Department of Agriculture. But when the Secretary announced his doubt, and did it on more than one occasion, and listed meats, in the literature which he sent out, as nonstorable commodities, it appeared that to insure supports for the most important of all farm commodities, if they needed it, mandatory supports would have to be written into the act. Therefore, milk and butterfat, which are the most important of all farm commodities, are included among the commodities having mandatory support.

On page 10 of the bill we find section 407 which provides:

The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. It shall not sell any such commodity at less than the current support price for such commodity—

And so forth.

Then some exemptions are made. The cotton producers have been very much disturbed over that provision, which would permit the Commodity Credit Corporation to dispose of cotton at the current support price. If the Commodity Credit Corporation were so minded, it could, of course, break the price of cotton immediately. The support price would be less than the market price. It would have a tendency to make the support price the price for cotton, and would make it impossible to receive any price higher than that.

I think that section needs correcting, and I believe the amendment which is to be offered by the Senator from South Carolina [Mr. MAYBANK], who is now in the Chair, would correct that shortcoming in the bill.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. A moment ago the Senator touched on the items mentioned in section 201 of title II which provides for price support for the producers of shorn wool and a few other items, omitting the item of pulled wool which has been included in all support programs up to this time. I wonder if the Senator has anything to say with reference to how that happened in the committee.

Mr. AIKEN. I did not comment on the supports for wool, because I understood that other Senators would do so later on. In the act of 1948 there is a provision for the support of wool at levels ranging from 60 to 90 percent of parity, or at such level as would induce the production of 360,000,000 pounds of wool annually. The provision in the 1948 act was not intended to and did not cover pulled wool. That would be in addition to the 360,000,000 pounds. If the Senate should decide to provide a support which would amount to 90 percent to induce the production of 360,000,000 pounds of wool, exclusive of pulled wool, it would simply have to delete the word "shorn" in a couple of places in this provision.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ANDERSON. I think the Senator will find that the amendment offered by the Senator from Nebraska changes the first part but does not change the latter part. I did not spend much time discussing the amendment. I hope the Senator from Vermont has in mind the fact that the great bulk of the wool which we now acquire and hold in stock under the Government program is pulled wool and not shorn wool. The amount of wool which is now held is 25 percent of the crop, of which shorn wool is only 13 percent. There is a real difference between what it costs to support pulled wool and what it costs to support shorn wool, which I am sure the Senator from Nebraska and I shall discuss when his amendment is reached.

Mr. AIKEN. I was not aware that we had that amount of pulled wool on hand. The reason for putting in the provision last year was that wool is a strategic material. We must have wool if the country gets into war, just as we must have airplanes or other materials of war.

It seemed to the committee that until the world became more settled we should not be dependent for our wool on a source of supply 10,000 miles away. That is the reason for the provision reading as it did last year. It is in a position somewhat similar to that regarding tung nuts. It is a strategic material, but when rated for domestic importance among our agricultural commodities, it is well down the scale.

Mr. President, that is all I have to say on that subject. I now turn to page 14, section 410, which reads:

Sec. 410. Section 4 of the act of March 8, 1938, as amended (15 U. S. C., 1946 ed., 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: "Provided, That the foregoing shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 ed., sec. 841)."

As I stated earlier today, I desire to make certain that this language will not permit the Commodity Credit Corporation to obligate itself for large sums above the limit set upon it by Congress last year. I expect momentarily to get accurate information on that.

The last provision of Senate bill 2522, the Anderson bill, on which I should like to comment, is section 412, which provides for an Assistant Secretary of Agriculture in charge of sales operations.

Mr. President, I think this is a matter which would well come under any revision of the administrative structure of the Department of Agriculture as recommended by the Hoover Commission. I think perhaps the Secretary of Agriculture should have another assistant, but I would not tie him down to being a market man, a merchant man in charge of disposing of surplus commodities which the Commodity Credit Corporation might acquire. I am a little afraid of that. I am afraid that there might be a tendency to get the Government more and more into the field of marketing if the provision were adopted.

I have no fixed opinion on it now, however, except that I do feel it is something which should be taken up under the proposed reorganization of the United States Department of Agriculture, and should not be considered in connection with the pending bill at this time.

Mr. President, I do not think I have anything more to say. I spoke this morning on the effect of including the cost of hired labor in the parity formula. There are definitely two sides to that. It might help, but I am afraid it would help the farmer most when he needed help least, and help him least when he needed it most.

I might say I am in almost complete accord with the purposes of the Senator from New Mexico. I wish to make it clear that the Anderson bill does not repeal the Agricultural Act of 1948, nor was it intended to. There are 13 pages in the act. The Anderson bill rewrites 4 of the pages, but does not upset the provisions even of those 4 pages. I believe it is intended to clarify and strengthen the legislation which has been put upon the books up to this time. I think the Senator from New Mexico is entirely correct when he states that we should never undertake to wipe out legislation which we have been building over a long period of years, and go back to the beginning. The farmers of this country are getting very sick of temporary legislation, and I think that temporary legislation is not only wearing on the nerves of farmers, but also wearing upon the sinews of the taxpayers.

Mr. President, I do hope the pending bill will be amended so as to make it better, and not be amended so as to make it provide any harmful effects in any way.

Mr. LUCAS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Washington [Mr. MAGNUSON] is the pending question.

Mr. ANDERSON. Mr. President, the Senator from Washington asked that his amendment go over until tomorrow, if the bill should not be passed tonight, because it had not yet been printed. So I feel it need not be regarded as the pending question.

The PRESIDING OFFICER. Without objection, the consideration of the amendment of the Senator from Washington is temporarily postponed.

The clerk will state the amendment offered by the Senator from Illinois [Mr. LUCAS].

The CHIEF CLERK. On page 13, line 12, before the period, it is proposed to insert a comma and the following: "and shall exclude any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture or any of its agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such Department or agencies."

On page 14, line 10, after "is amended" insert "(1)."

On page 14, line 12, before the period, insert a comma and the following: "and (2) by inserting before the period at the end of the last sentence thereof a comma and the following: 'and shall exclude any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture or any of its agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such Department or agencies.'"

Mr. LUCAS. Mr. President, this is an extremely important amendment. I have offered it to the bill under consideration with the intention of clarifying the meaning of the term "normal supply." The amendment would exclude from normal supply the quantities of a commodity which the Government must dispose of at a loss.

I want to emphasize that this amendment is not designed to change in any way the intended operation of the proposed bill. Its purpose is to clarify the meaning of one of the factors upon which is based the operation of the sliding scale of price supports. The amendment meets the approval of the distinguished Senator from New Mexico, the author of the bill before us. It also has the endorsement of the Department of Agriculture. I have not discussed it with other members of the committee.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. Will the Senator give us a concrete example as to how the amendment would operate?

Mr. LUCAS. I shall do that later. Let me proceed in my own way, if I may.

I am sure that, after I have explained the effects of this amendment and have pointed out its necessity, there will be complete agreement that it should be adopted.

The importance of this amendment is brought out when we consider the manner in which flexible price supports are intended to operate under this bill. Price supports under this bill will generally be at a lower level when the total estimated supplies of the commodity ex-

ceed our normal domestic and export requirements. The greater our estimated total supplies in relation to our normal requirements, the lower will be the level at which the Secretary is required to support prices. The level of support moves up or down on a sliding scale based upon the relation of our estimated total supplies to our normal requirements.

That can be found in tables 1 and 2 on the second page of the bill.

This flexible system permits price supports to be the lowest during the years of large surpluses. It is proper that price supports should be lower during these periods. Farm income will not suffer since the farmers will have a greater abundance of a particular commodity which will be entitled to the benefits of the support program; and also lower price supports in such periods will decrease the over-all cost of the price-support program. If the price supports were extremely high during the periods of the largest surpluses, the cost to the Government would become almost unbearable. A workable system of price supports requires that they be at a lower level during periods of abundance.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. Yes; but I should like to proceed with my statement.

Mr. KNOWLAND. So far as he has gone the able Senator appears to have a meritorious amendment. So I can follow the presentation a little better, I ask the Senator if the amendment was presented by him to the Committee on Agriculture and Forestry.

Mr. LUCAS. No it was not, I will say to the Senator from California, that I did not discover what I am now attempting to correct until after the bill had reached the floor of the Senate. This matter has been pointed out to me in a forceful way. I believe it represents an error in the bill which should be corrected.

Under the flexible system of price supports provided for in the bill, the Secretary, in determining normal domestic and export requirements for the coming year merely takes the total consumption and exports for the preceding year. The bill as it now reads might be interpreted as requiring the Secretary to include in this calculation of normal supply the quantities of a commodity which the Government the previous year disposed of at a loss.

It should be quite apparent how such an interpretation would cripple the whole program. The theory of flexible price supports is based upon our estimated production in relation to our normal demands.

If, in defining normal requirements, we include an amount for which there is no normal demand, we will strike at the basis of our flexible system. Surpluses which the Government must dispose of at a loss are not a part of our normal requirements, although they have been considered such by the Department in the past on many different occasions.

The amendment which I have proposed, corrects this problem by providing that, in determining normal supply,

there shall be excluded any abnormal consumption or exports resulting from disposal operations of the Government which were carried out at a loss. This amendment makes it clear, however, that commodities exported under international agreements, such as the Wheat Agreement, are not to be excluded in determining normal supply. Also, disposals made by the Government which do not result in losses are not to be excluded. This is as it should be since in these cases the Government is meeting normal demands at market prices.

Price supports for peanuts provides a very good example of the practical effects of this amendment. Under the proposed bill, without this amendment, the Secretary of Agriculture has estimated that the total supply of this commodity for the next year will amount to only 91 percent of our normal requirements. This would mean that peanuts could not be supported at any level under 90 percent.

This result is contrary to the facts. Actually, peanut production in 1950 will greatly exceed our normal requirements. The reason for this is that Congress this session enacted Public Law 272 prohibiting the Secretary from reducing acreage allotments for peanuts under 2,100,000 acres. I have been advised by the Department of Agriculture that, if they had had a free hand, they would have cut peanut acreage to 1,800,000 acres. This would have brought supply and demand closer together.

In other words, this bill in its present form would force the Secretary to conclude that production of peanuts next year will not meet our normal requirements when the fact of the matter is production for the coming year will actually exceed normal domestic export consumption by 15 or 20 percent. Those figures are based upon figures furnished me by the Department of Agriculture.

The adoption of this amendment will enable the Secretary to exclude from his estimate of normal supply the amount of this commodity which the Government will have to dispose of at a loss. With these quantities excluded, estimated total supply of peanuts for next year will exceed our normal requirements by 15 or 20 percent, which will mean that price support on the sliding scale need not be above 86 or 87 percent of parity.

I believe firmly that farm income must be maintained at a high level if we are to have the abundant production which is today so necessary to all the world, and if we are to have continuing prosperity in the United States. But, we must not, through a support program, price a product completely out of the consumer market at a tremendous cost to the taxpayers. This is exactly what we would do in the case of peanuts if the meaning of "normal supply" is not clarified.

Through our price support program, we would be supporting the price of peanuts at a level almost beyond the reach of the consumers despite the fact that the production of this commodity is far above our immediate demands. This result must be avoided.

I want to emphasize that this amendment will not only make more realistic

and workable our price-support program for peanuts but it will have the same effect upon other commodities. This amendment is general in its application. It will put price supports where they properly belong in the case of every product to which the sliding scale applies.

If the Congress of the United States does not place the price supports upon all commodities where they properly belong in connection with the total amount produced in line with the demand, we are going to break down the farm program. For 2 years I have been talking about certain particular commodities having an advantage over others. The advantage they have obtained over other commodities has been the source of all the trouble and all the annoyance the Congress of the United States has had by way of public reaction to the farm program as a whole.

If we do not make this change in the bill, we might just as well not have a sliding scale, as this system of flexible supports is based directly upon the relation of estimated production to normal demands. If we include in our normal demands surpluses which the Government must dispose of at a loss, we shall destroy the basis of our flexible system of price supports.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. Does the distinguished majority leader have at hand the facts and figures to indicate what, if any, impact his amendment would have on wheat? It seems to me that it might also scale down the support price for wheat.

Mr. LUCAS. I do not think it will, but on that point I yield to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, if I followed the Senator correctly, I am quite sure that it will be found that wheat is sold, and is not disposed of at a loss. Even the sales under the international wheat agreement are protected by the amendment, so they would not be involved. The amendment would apply only when there was a loss in connection with a disposable commodity.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. GURNEY. I should like to be sure that the answer applies to purchases of wheat with Marshall plan funds. Would purchases of wheat by the ECA be considered a part of the wheat sold at a loss?

Mr. LUCAS. What was the question?

Mr. GURNEY. The ECA is purchasing several hundred million bushels of wheat each year. The Senator's amendment provides that that part which is sold at a loss shall not be considered in making the flexible price. Would purchases by ECA be excluded under the terms of the Senator's amendment?

Mr. LUCAS. Mr. President, I yield to the Senator from New Mexico.

Mr. ANDERSON. As I read the amendment, it says "which results in losses to such department or agencies." As I understand, Marshall plan wheat is always sold at cost. It certainly was

until recently. It moves on into the Marshall plan or is credited back on the basis of what it costs the Department of Agriculture.

Mr. LUCAS. It is only when the surplus is sold or dumped at a loss that it cannot be considered in the estimates as being a part of the normal supply.

Mr. GURNEY. My concern is that the ECA is taking practically the entire surplus of wheat, and has done so for a number of years. If ECA were not buying the wheat, countries overseas which are getting it now would have to make some arrangement to purchase our wheat. Therefore I would not want our wheat price to be penalized merely because the ECA is doing the buying.

Mr. ANDERSON. As I read the amendment, it would not have that result at all, because the wheat is handled through the ECA without a loss.

Mr. GURNEY. I think there should be some assurance that it is not included.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. I am sure that ECA wheat is not sold at a loss by the Commodity Credit Corporation. That has been a source of considerable irritation to the ECA. The only wheat likely to be sold at a loss is that which enters into the international wheat agreement plan, which is specifically exempted by the amendment proposed by the Senator from Illinois. If I am correctly informed, some of the wheat sold to ECA has been sold at a little more than cost.

Mr. LUCAS. I do not understand that any ECA wheat has been sold at a loss; but if the time ever comes when we have to sell wheat at a loss, irrespective of how we sell it, we shall find that the supply is greater than the demand, and we shall have to dispose of it in some way. All this amendment would do would be merely to provide that the surplus disposed of at a loss cannot be used in considering what the normal supply is when it is lined up with the estimate of total supply.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. GURNEY. I am in accord with the Senator. It is not a question whether ECA sells it at a loss. It is a question whether the Commodity Credit Corporation sells it to ECA at a loss. I should like to ask the Senator if it is his intention that wheat sold by the Commodity Credit Corporation to ECA shall be excluded.

Mr. LUCAS. No; my understanding is that it is not being sold at a loss.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ANDERSON. It seems to me that the statement just made by the Senator from Illinois [Mr. LUCAS] and that made by the Senator from Vermont [Mr. AIKEN], together with my own remarks, possibly would be sufficient to fix the legislative history, so that it will be known that wheat sold to ECA is not to be regarded as coming within the terms of this amendment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. In the Senator's amendment he has specifically excluded portions of wheat sold under the International Wheat Agreement. I wonder if, in order to make it clear, he could not exclude the portions of wheat sold by the Commodity Credit Corporation to ECA. While it is true that up to now the Commodity Credit Corporation has not been selling such wheat at a loss, it is equally true that ECA is in a bargaining mood, and would like to buy wheat at a cheaper price if possible.

Mr. LUCAS. I do not believe I would want to change the amendment on that basis. I think I am entitled to use the International Wheat Agreement as the exception to the rule, because of what has been done in the way of treaties with other countries. As I understand, up to the present time there has been no loss in the sale of wheat through the ECA program, and I do not think there will be.

Mr. MUNDT. If we were to write it in the amendment, we could be sure that there would not be such loss.

Mr. LUCAS. I would not want to accept that modification. I think we have gone far enough.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. Let me add that the only wheat sold overseas at a loss is possibly wheat which has come actually into the possession of the Commodity Credit Corporation, and perhaps deteriorates and must be disposed of anyway. If we ever reach that point, that wheat should not be counted in with the regular consumption of wheat. But so far as I can see, there is no inclination or intention on the part of the Commodity Credit Corporation to sell to any other agencies, ECA or any others, at a loss. As I say, it has been a source of irritation to some that the Commodity Credit Corporation would not sell at a lower price.

Mr. LUCAS. The Senator is correct. To my mind this is basic and fundamental so far as the future of this program is concerned. If we get the kind of surplus crop in wheat or in cotton that we are likely to get at any time in the future, and this sort of amendment is not adopted, giving to the Secretary of Agriculture definite instructions with respect to what a normal supply is, and if he continues to do what he has done in the past with some other crops, the amount of money which the program will cost taxpayers on a large crop will absolutely break the farm program in two. We can get away with it in the case of a smaller crop, where there is not so much involved. It is only when we get into one of the basic crops, with a tremendous surplus that should the Secretary of Agriculture continue to base his figures upon the present interpretation, we will be caused a great amount of trouble so far as taking money out of the Treasury is concerned. Wheat and cotton are the two basic crops which may cause such trouble.

Mr. AIKEN. I believe the Senator from Illinois is entirely correct in his statement that if we undertake to support crops which are constantly being produced in excessive quantities and sold at heavy losses overseas, we shall be supporting by artificial means a completely unrealistic situation which will eventually result in breaking down the entire farm program and defeating the purpose of the price-support program.

Mr. LUCAS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS].

The amendment was agreed to.

Mr. CHAPMAN obtained the floor.

ANNOUNCEMENT AS TO LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, will the Senator yield, in order that I may make a brief announcement?

Mr. CHAPMAN. I yield.

Mr. LUCAS. We are not going to run very late tonight—probably until 6 o'clock or a little after that—and then we shall take a recess until tomorrow, because I doubt whether we can vote on the bill tonight. Does the Senator from New Mexico think we can?

Mr. ANDERSON. No; but I was going to suggest that we might be able to dispose of all but approximately two or three amendments—probably two—which are somewhat controversial. The Senator from Georgia and the Senator from North Dakota jointly have an amendment; and the Senator from Vermont [Mr. AIKEN] has an amendment which is the reverse of theirs. Whichever way we move in regard to either of those amendments we shall dispose of both of them. I wonder whether we might agree to vote at a definite hour tomorrow on them, and then bring up the two amendments of the Senator from Nebraska, which are controversial—one affecting pulled wool and one relating to section 412. Those are the only ones which I think will take any time. If we carry them, along with the amendments of the Senator from Washington [Mr. MAGNUSON] over until tomorrow, and if in the meantime we can agree as to a time when we shall vote on them, that would be very much appreciated.

Mr. LUCAS. Mr. President, I wish to make this brief announcement: It is my understanding that the Committee on the Judiciary has made a favorable report on the nomination of Judge Sherman Minton, who has been nominated to be an Associate Justice of the Supreme Court of the United States, and I understand that the nomination is now on the calendar. I wish to state that tomorrow we shall take up that nomination, following the disposition of the pending farm bill.

Following that, we shall consider House bill 2960, the rural telephone bill.

I wish to state now the bills which we are seriously thinking about considering before final adjournment: The bill providing grants for State-aid programs for

school construction; the bill, reported from the Committee on Banking and Currency, to amend the National Housing Act; the bill, reported from the Foreign Relations Committee in relation to Korean aid; and also the bill to amend the United Nations Participation Act of 1945. Then there is the possibility that we shall take up the point 4 bill, S. 2197, which has been reported from the Committee on Banking and Currency; the bill, reported from the Committee on Armed Services to authorize the construction of certain military and naval installations, which is a tremendously important bill; the bill, introduced by the Senator from Wyoming [Mr. O'MAHONEY], dealing with strategic materials; the cigarette-tax bill, as reported by the Finance Committee; and possibly then the motion to discharge the Committee on the Judiciary from the further consideration of the displaced-persons bill.

There may be one or two other bills which will be considered; but the ones I have just stated are the bills we shall certainly consider. It seemed to me that I should make that announcement. There will be no civil-rights legislation at this session, but there will be at the beginning of the next session.

Mr. HOLLAND. Mr. President, if the Senator will yield, let me say that I entered the Chamber while the distinguished majority leader was listing the measures to be considered. Did he refer to the omnibus flood-control and rivers and harbors bill?

Mr. LUCAS. No; I did not. It has not yet been reported; has it?

Mr. HOLLAND. No; it has not.

Mr. LUCAS. I hope it will be reported and is placed on the calendar, because it is an important bill; all omnibus bills are very important.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. MILLIKIN. Is there any intention to bring up the point 4 bill (S. 2197) this week?

Mr. LUCAS. There is a possibility that it will be brought up this week, if it is brought up at all; but I cannot say definitely as to that. The reason I make this announcement is that any of the bills I have mentioned are likely to be taken up at any time. I shall try to give the Senate advance notice, insofar as possible, and I shall discuss the matter again with the policy committee tomorrow. But the ones I have stated are the bills within range in the next 2 or 3 weeks; and I give that notice.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. WHERRY. What the majority leader has just stated, it seems to me, is the general program, but not that the bills will be considered in the order in which he has listed them, and not that any one of them has priority over the others. Is that correct?

Mr. LUCAS. The Senator is correct, aside from the rural telephone bill, which will follow the farm bill which is now before the Senate, and the nomination of Judge Minton.

Mr. WHERRY. The rural telephone bill will come up tomorrow afternoon, I believe.

The Senator made a statement regarding the nomination of Judge Minton to be an Associate Justice of the Supreme Court. I understood the distinguished majority leader to say that nomination will come before the Senate tomorrow.

Mr. LUCAS. Yes; it was reported today.

Mr. DONNELL. Mr. President, will the Senator repeat the statement he has just made; it was difficult for some of us to hear.

Mr. LUCAS. I said that tomorrow, after we dispose of the farm bill, we will consider the nomination of Judge Sherman Minton to be an Associate Justice of the Supreme Court of the United States.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. The majority leader said the point 4 bill—S. 2197—might come up. That bill concerns the Export-Import Bank. My question is this: A bill on that subject is pending before the Foreign Relations Committee. In regard to that program I believe there is a bill which will be considered tomorrow in the House of Representatives. I wonder whether the two bills are so closely related that for us to bring up this one, without having a knowledge of the other one, would make it rather difficult for proper consideration to be given to the entire subject.

Mr. LUCAS. It is my understanding that the bill now on the calendar deals with the guaranty of United States investments abroad, whereas the bill to be considered by the House of Representatives deals with technical assistance for foreign countries. I think that is the difference. The bills relate to two different phases of point 4, really. They relate to different phases of the plan for guaranteeing investments.

Mr. MAYBANK. Mr. President, I wish to say to the Senator from Illinois, if the Senator from Kentucky will yield to me, that the bill we have on the calendar simply deals with the guaranteeing of investments abroad with respect to the convertibility of currency by the Export-Import Bank, not by increasing the capital of the bank, but by allowing it to use any of its present capital which it may have available to guarantee investments.

The other bill deals with the technical assistance which will be required under the point 4 program and will need an appropriation in the amount of \$40,000,000. That bill has yet to be reported by the Foreign Relations Committee.

Mr. SALTONSTALL. Mr. President, I read a little of the hearings before the committee, and it seemed to me that the Secretary of the Treasury connected the two bills intimately.

Mr. MAYBANK. Mr. President—

The PRESIDING OFFICER. The Senator from Kentucky has yielded only for an announcement.

Mr. MAYBANK. Mr. President, will the Senator yield to me at this time?

Mr. CHAPMAN. I yield to the Senator from South Carolina.

Mr. MAYBANK. I wish to say that what the distinguished Senator from Massachusetts has said is correct, namely, one bill is dependent upon the other. It is the hope of those who were at the recent monetary meeting at the Shoreham Hotel and it is the hope of the governors and of the business interests of the country that Senate bill 2197 will be passed soon. Passage of this bill at this session would enable the directors of the bank to determine the extent to which this country may hope to participate in this program. Of course, everything would be dependent upon the signing of investment treaties. However, I wish to say that prompt passage of Senate bill 2197 is desired, so that the actual figures involved may be worked out and definitely ascertained.

Mr. WHERRY. Mr. President, I should like to ask the majority leader a question, if the Senator from Kentucky will yield to me for that purpose.

Mr. CHAPMAN. I yield.

Mr. WHERRY. Does the majority leader intend to have any night sessions this week?

Mr. LUCAS. I seriously doubt it. Judging from the way we are proceeding, I do not believe that will be necessary.

Mr. WHERRY. Does the distinguished majority leader believe there will be any votes tonight on the farm bill?

Mr. LUCAS. No, not tonight.

Mr. WHERRY. May I ask one or two other questions, with the permission of the distinguished Senator from Kentucky?

Mr. CHAPMAN. I yield for that purpose.

Mr. WHERRY. Does the distinguished Senator from Illinois, the majority leader, in announcing the program, have in mind any date—I am not asking him to fix a date; I am not endeavoring to get him to set a date, because I realize that is difficult—but does he have in mind any date when he expects the first session of the Eighty-first Congress to adjourn?

Mr. LUCAS. I may say to my friend from Nebraska, I have no specific date. One's guess is about as good as another's. I can only say the bills I have submitted here are the ones we shall consider, and possibly there may be one or two other small bills, and the conference reports which will come in from time to time. But I would say, within about 2 or 3 weeks we ought to get through.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. CHAPMAN. I yield to the Senator from Nebraska.

Mr. WHERRY. I hoped the majority leader in answering the question would have some date in mind. I may make this observation, if he will permit, that I understand a delegation from the Appropriations Committee plans to leave here on October 11 to go to the ECA countries. I am doing my level best to keep a quorum here, to wind up the session. I ask the distinguished majority leader whether he knows that that is contemplated, and whether that has anything to do with an adjournment

date, or should these Senators if possible make their departure date somewhat later than that, in order that we may maintain quorums in the Senate until the session is concluded?

Mr. LUCAS. I have had no one come to me with respect to attempting to shorten the session on the basis of his wanting to go to Europe, although I have heard it mulled over in the cloak-rooms and on the Senate floor. Obviously I do not want to keep anyone from going to Europe who wants to go. However, there are several measures, which we feel are necessary to be considered before final adjournment. I cannot fix any definite day. I should like to do that, but I do not believe it is advisable or wise to do it. But if Senators continue the spirit of cooperation which has been evidenced during the past 2 weeks, I do not see why we can not finish practically all the measures to which I have referred within pretty close to October 11, but it might be the 14th, or it might be the 17th.

Mr. WHERRY. Mr. President, I thank the majority leader for his observation. I humbly submit, however, that if in some way a date could be fixed and plans could be made, it would be helpful to the Senate. I hope members of the delegation to which I referred and any other Senator who wants to leave will consult the majority leader. If some approximate date could be set, I think it would not only expedite the work of the Senate, but would also facilitate the making of plans by Senators.

Mr. LUCAS. I might make this additional statement, Mr. President, in the time of the good Senator from Kentucky—

Mr. CHAPMAN. I yield for the purpose.

Mr. LUCAS. Tomorrow, Speaker RAYBURN and Majority Leader McCORMACK are coming to have luncheon with the Democratic policy committee of the Senate and we hope we may be able to give a little more definite information after the meeting.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. AIKEN. May I inquire whether the majority leader contemplates night sessions all this week?

Mr. LUCAS. No; I do not think we shall have night sessions. I do not believe it is necessary. We might have to hold night sessions next week, if it is necessary to accommodate some Senators who wish to get away. I should be glad to do that, but I doubt very much whether we are going to have any night sessions this week.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 368) further amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 368) further amending an act making tem-

porary appropriations for the fiscal year 1950, as amended, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. CHAPMAN. Mr. President, on behalf of my colleague [Mr. WITHERS], the Senator from Tennessee [Mr. KEFAUVER], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 409 of title IV of the bill by adding a new subsection, as follows:

(d) Notwithstanding any other provision of law, any reduction made in farm marketing quotas or acreage allotments for any kind of tobacco because of a reduction from the last-established national marketing quota or State acreage allotments shall be applied to all farms, except that any farm acreage allotment for burley tobacco established pursuant to Public Law 276, Seventy-eighth Congress, as amended by Public Law 302, Seventy-ninth Congress, shall not be reduced for any year by more than one-tenth of an acre below the allotment last established for the farm and no reduction shall be made in any burley allotment of five-tenths of an acre or less. This provision shall become effective for the 1950 crop.

Mr. CHAPMAN. Mr. President, the amendment which I have offered would affect burley tobacco, and no other type of tobacco and no other farm product covered in the pending bill. It can scarcely be gainsaid that the tobacco program which has been developed and built up during the past 15 years is probably the most successful and beneficial farm program in the history of this or any other country, and yet those who have lived close to the subject, those most thoroughly conversant with burley tobacco growers' problems, are apprehensive of its future unless some such amendment as this which I have offered on behalf of the Senator from Kentucky [Mr. WITHERS], the Senator from Tennessee [Mr. KEFAUVER], and myself prevails. It is a modification and a moderate form of an amendment that was urgently proposed to the Congress in April 1947 by the distinguished author of this bill during the period of his splendid service as Secretary of Agriculture.

In substance it provides, stated briefly, that no allotment of burley tobacco "shall be reduced for any year for more than one-tenth of an acre below the allotment last established for the farm and no reduction shall be made in any burley allotment of five-tenths of an acre or less. This provision shall become effective for the 1950 crop."

During the recent war, when the Food Administrator, Judge Marvin Jones, and other officials of the Department of Agriculture were properly urging all-out, around-the-clock production of all farm products, quotas were taken from all crops except burley and flue-cured tobacco. They were exempted by a bill

supported by the tobacco growers, which I had the honor of introducing in the House at that time. As a part of the Congress' response to that urging for greater production, we enacted a law exempting from reduction allotments of 1 acre for burley growers. That was all right at the time, but it has come now to constitute the principal trouble that confronts us in our anxiety for the continuing and successful operation of this great tobacco program that has meant so much to the burley tobacco-producing area of the country.

In 1946 we recognized the need for another 10-percent reduction, and we did that by act of Congress, making a straight cut across the board which reduced the exempted growers of 1 acre to a nine-tenths of an acre minimum. In 1944 we had another 20-percent reduction that was made by the Department of Agriculture, which resulted in an over-all reduction of only 16 percent, because of the exempted class.

There is contemplated another reduction of the present crop that was grown this year. I hope it will not be necessary to cut another 20 percent, but it is not improbable that that percentage, or a percentage approximating 20 percent, will be cut. That would result in only a 13 percent over-all cut because every time there is a cut it adds thousands of growers to the exempted class. All of the cuts have brought about a condition in which 55 percent of the growers belong to the exempted class. A 20-percent cut this year would raise that to approximately 65 percent who would be exempted.

In other words, 65 percent would be riding the backs of the remaining 35 percent. Thirty-five percent is too small and weak a foundation on which to base such a colossal superstructure.

The next thing is that if there is another cut next year—and it is not unlikely that one will be necessary, because improved methods of cultivation, the use of fertilizer, closer planting, and disease-free plants have brought about a great increase in the yield of burley tobacco—there will be left to bear the burden and carry the load only about 25 percent of the growers while 75 percent will be riding free.

In the period from 1934 to 1938, the average yield was 819 pounds per acre; that had grown in 1948 to 1,396 pounds per acre, and is estimated by the Department of Agriculture as 1,308 pounds for the current crop.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. ANDERSON. On the basis of the figures just given, the burley tobacco producer would get almost as much tobacco out of his five-tenths of an acre as he would get at this time, would he not?

Mr. CHAPMAN. The Senator is entirely correct.

Mr. ANDERSON. I want to say to my distinguished friend that I do not like this type of legislation, but when the Senator quotes me as having said it should be enacted, I am in no position to resist.

Mr. CHAPMAN. I thank the Senator. If we do not remedy this situation it will be a case of one man milking his neighbor's cow through a crack in the fence. I know the tobacco growers do not want to do that to their neighbors or have it done to them by their neighbors.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. CHAPMAN].

Mr. WILLIAMS. Mr. President, is the amendment to be voted on tonight?

The PRESIDING OFFICER. The Chair so understands.

Mr. WILLIAMS. A number of Senators who would like to discuss the amendment are not on the floor at this time, so I would suggest the absence of a quorum. I am not concerned with this particular amendment, but I ask that it go over until tomorrow.

Mr. CHAPMAN. Mr. President, I have not found any opposition to it at all.

Mr. ANDERSON. Mr. President, I suggest that the amendment go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will go over until tomorrow.

Mr. YOUNG. Mr. President, I wish at this time to call up an amendment offered by the Senator from Georgia [Mr. RUSSELL] and myself.

Mr. RUSSELL. Mr. President, notice has been given that the Senate will shortly adjourn for the day. I should like to have the Senator from North Dakota have a larger audience when he explains his amendment.

The PRESIDING OFFICER. Does the Senator from North Dakota wish to call up his amendment at this time?

Mr. YOUNG. I withdraw my request.

Mr. ANDERSON. Mr. President, there are two amendments which are designed to be merely clarifying amendments. If it should develop that there is opposition to them, I shall withdraw them and offer them tomorrow. One amendment was the subject of a bill introduced by the distinguished Senator from Vermont [Mr. AIKEN]. It was passed by the Senate, but the House did not see fit to take action upon it. Therefore I desire to incorporate by amendment the provision of his bill into the pending bill. It provides for the scheduling of certain things carried in the Agricultural Act of 1948.

I ask that the amendment be stated at this time.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add at the end of the bill the following new section:

SEC. 416. (a) Except to the extent superseded by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 204, 206, 207, and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this act, such action shall be taken within 30 days after the enactment of this act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any

provision of Public Law 272, Eighty-first Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

Mr. AIKEN. Mr. President, this amendment, as the Senator from New Mexico has said, carries out the provisions of a bill which I introduced and which was unanimously passed by the Senate months ago, in the hope of keeping corn and wheat out of quotas for next year. Whether it would have done so or not I am unable at this time to say. Certainly the chances would have been much better. Whether corn will be kept out of quotas next year remains to be seen. I presume it depends largely upon the type of legislation which we enact at this time. The House did not see fit to act upon my bill. The only way to get action is to incorporate it into this bill, and I am in favor of it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Do I correctly understand that, as the Senator from Vermont has said, this is a bill which was passed by the Senate but was not passed by the House, and the Senator now wants to add the substance of it to the pending bill by way of an amendment? What is the effect of not establishing quotas on corn or other commodities?

Mr. ANDERSON. I shall let the Senator from Vermont answer, because it involves his bill. But there is a difference in the requirement for the establishment of a quota in the previous legislation and in the act of 1948. The earlier application of the act of 1948 might not have required quotas on wheat and corn, but at least it liberalizes the situation.

The Senate Committee on Agriculture and Forestry adopted the Aiken bill unanimously. It was passed unanimously, I am sure, on the floor of the Senate. It went to the House and was not acted upon there. I thought of adding it to this bill so as to give us a chance to review it again in conference, and see if it is desired.

Mr. AIKEN. Mr. President, the effect of the bill was to set forward certain provisions of the Agricultural Act of 1948 in the hope that quotas on corn and wheat might be avoided next year. The House took no action on it.

Mr. YOUNG. Mr. President, I am still not clear with regard to this amendment. I should like to have a little more complete explanation.

Mr. AIKEN. The effect of it would be that under the existing law under which the Secretary would be required to proclaim quotas, that action would be necessary if the total supply and estimated production of wheat amounted to approximately 1,400,000,000 bushels. Under the Agricultural Act of 1948 the total production and carry-over of wheat might amount to approximately 1,600,000,000 bushels before quotas would be required. The Secretary, however, has to operate under the old law until January 1 of next year, and as a matter of

legality, he might have to ask growers to operate on quotas for wheat next year, whereas he would not have to if the bill passed by the Senate and which is now offered by the Senator from New Mexico as an amendment to the bill which is now before us, had been passed by the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. ANDERSON. Mr. President, I send to the desk, to lie over until tomorrow, an amendment which has to do with corn. I desire to invite the attention of the distinguished Senator from Vermont and other Senators who may be interested in it to the fact that the amendment, which was printed in the CONGRESSIONAL RECORD on Friday, was prepared by the Department of Agriculture in an attempt to work out a difficulty which arose under one section in the Aiken portion of the bill and another in the Hope portion of it. I hope the amendment which I send to the desk will clear up the situation.

The PRESIDING OFFICER. Does the Senator ask that it be printed and lie on the table, and also be printed in the RECORD?

Mr. ANDERSON. If it could be printed in the RECORD also, I think it would be helpful.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from New Mexico will be received, printed, lie on the table, and also printed in the RECORD.

Mr. ANDERSON's amendment is as follows:

On page 14, line 12, strike out "10 percent in the case of corn" and insert in lieu thereof "15 percent in the case of corn."

On page 14, between lines 12 and 13, insert the following:

"(d) Section 322 (a) of such act, as so amended (relating to corn marketing quotas), is amended (1) by striking out "20 percent" and inserting in lieu thereof "10 percent," and (2) by adding at the end thereof the following: "With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as "such calendar year" for the purposes of (1) and (2) of the preceding sentence."

"(e) Section 328 of such act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply."

"(f) Notwithstanding any other provision of law, section 201 (b), 201 (d), 201 (e), and 203 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 crop of corn upon the enactment of this act."

RECESS

Mr. LUCAS. Mr. President, it is 6 o'clock, and there are two or three important amendments which the Senator from New Mexico desires to have presented tomorrow. In the circumstances I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate took a recess until tomorrow, Tuesday, October 4, 1949, at 12 o'clock meridian.

81st CONGRESS
1st SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz:

1 On page 14, line 12, strike out "10 per centum in the
2 case of corn" and insert in lieu thereof "15 per centum in
3 the case of corn".

4 On page 14, between lines 12 and 13, insert the
5 following:

6 "(d) Section 322 (a) of such Act, as so amended
7 (relating to corn marketing quotas), is amended (1) by
8 striking out '20 per centum' and inserting in lieu thereof
9 '10 per centum', and (2) by adding at the end thereof
10 the following: 'With respect to the 1950 crop of corn the
11 determination and proclamation required by this section may

1 be made, notwithstanding the foregoing, at any time prior
2 to February 1, 1950, using 1949 as "such calendar year"
3 for the purposes of (1) and (2) of the preceding sentence.'

4 " (e) Section 328 of such Act, as so amended (relating
5 to corn acreage allotments), is amended by striking out
6 'reserve supply level' and inserting in lieu thereof 'normal
7 supply'.

8 " (f) Notwithstanding any other provision of law, sec-
9 tions 201 (b), 201 (d), 201 (e), and 203 of the Agri-
10 cultural Act of 1948 shall be effective for the purpose of
11 taking any action with respect to the 1950 crop of corn
12 upon the enactment of this Act."

81ST CONGRESS
1ST SESSION

S. 2522

AMENDMENTS

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 2522) to stabilize prices of agricultural commodities, viz: On page 15 after line 5, strike out section 412 beginning on line 6, page 15, and concluding on line 5, page 16, and insert the following as section 412:

- 1 In acquiring, storing, and disposing of commodities
- 2 through loans, purchases, and otherwise, the Secretary of
- 3 Agriculture shall employ usual and customary channels of
- 4 trade unless, after due notice and hearing, he finds that such
- 5 usual and customary channels are inadequate for the acquisi-
- 6 tion, handling, storage, and disposition of such commodities.

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CHAPMAN (for himself, Mr. WITHERS, and Mr. KEFAUVER) to the bill (S. 2522), to stabilize prices of agricultural commodities, viz: On page 14, after line 12, insert the following:

1 Section 409 of title IV of the bill is amended by adding
2 a new subsection (d) as follows:

3 “(d) Notwithstanding any other provision of law, any
4 reduction made in farm marketing quotas or acreage allot-
5 ments for any kind of tobacco because of a reduction from
6 the last established national marketing quota or State acre-
7 age allotments shall be applied to all farms, except that any
8 farm acreage allotment for Burley tobacco established pur-
9 suant to Public Law 276, Seventy-eighth Congress, as
10 amended by Public Law 302, Seventy-ninth Congress, shall

1 not be reduced for any year by more than one-tenth of an
 2 acre below the allotment last established for the farm and no
 3 reduction shall be made in any Burley allotment of five-
 4 tenths of an acre or less. This provision shall become effective
 5 for the 1950 crop."

81ST CONGRESS
 1ST Session

S. 2522

AMENDMENT

Intended to be proposed by Mr. CHAPMAN (for himself, Mr. WYNNERS, and Mr. KEFAUVER) to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949
 Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed

AMENDMENT

Proposed by Mr. MAGNUSON to the bill (S. 2522) to stabilize prices of agricultural commodities; viz: On page 16, line 16, add:

1 SEC. 416. Subsection (f) of section 22 of the Agri-
2 cultural Adjustment Act, as reenacted by section 3 of the
3 Agricultural Act of 1948 (Public Law 897, Eightieth Con-
4 gress), is hereby amended to read as follows:

5 “(f) No treaty, trade agreement, or other international
6 obligation shall be hereafter entered into by the United
7 States which does not reserve to the United States the
8 unconditional right to unilaterally impose the fees and
9 quantitative limitations on imports provided for in this sec-
10 tion; and no such treaty, trade agreement, or other interna-
11 tional obligation now in force shall be renewed, extended,
12 or allowed to extend beyond its permissible termination date,
13 without the inclusion of such reservation.

AMENDMENT

Proposed by Mr. MAGNUSON to the bill (S. 2522)
to stabilize prices of agricultural commod-
ities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed

81ST CONGRESS
1ST SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed

AMENDMENT

Proposed by Mr. MAGNUSON to the bill (S. 2522) to stabilize prices of agricultural commodities, viz: On page 16, line 16, insert the following:

1 SEC. 416. Section 22 of the Agricultural Adjustment
2 Act, as added by section 31 of the Act of August 24, 1935
3 (49 Stat. 773), and reenacted by section 3 of the Agricul-
4 tural Act of 1948 (Public Law 897, Eightieth Congress)
5 is hereby amended to read as follows:

6 "SEC. 22. (a) Whenever the Secretary of Agriculture
7 has reason to believe that any article or articles are being or
8 threaten to be imported into the United States under such
9 conditions and in such quantities as to render or tend to
10 render ineffective, or materially interfere with or threaten to
11 make necessary, any program or operation undertaken, or

1 authorized to be undertaken, under this title or the Soil Con-
2 servation and Domestic Allotment Act, as amended, or sec-
3 tion 32, Public Law Numbered 320, Seventy-fourth Con-
4 gress, approved August 24, 1935, as amended, or any loan,
5 purchase, or other program or operation undertaken, or
6 authorized to be undertaken, by the Department of Agri-
7 culture, or any agency operating under its direction, with
8 respect to any agricultural commodity or product thereof, or
9 to reduce substantially the production in the United States of
10 any agricultural commodity or the amount of any product
11 processed in the United States from any agricultural com-
12 modity or product thereof with respect to which any such
13 program or operation is being undertaken or is authorized
14 to be undertaken, he shall cause, on his own motion or on the
15 motion of interested producers or processors, an immediate
16 investigation to be made by the appropriate office or agency
17 responsible for the administration of the effected program in
18 the United States Department of Agriculture, which shall
19 give precedence to investigations under this section to deter-
20 mine such facts. Such investigation shall be made after due
21 notice and opportunity for hearing to interested parties, and
22 shall be conducted subject to such regulations as the Secre-
23 tary of Agriculture shall specify.

24 “(b) If, on the basis of such investigation and report to
25 him of findings and recommendations made in connection

1 therewith, the Secretary of Agriculture finds the existence
2 of such facts, he shall certify to the President such facts
3 and the President may by proclamation impose such fees
4 not in excess of 50 per centum ad valorem or such quanti-
5 tative limitations on any article or articles which may be
6 entered, or withdrawn from warehouse, for consumption as
7 he finds shown by such investigation to be necessary in
8 order that the entry of such article or articles will not render
9 or tend to render ineffective, or materially interfere with,
10 or threaten to make necessary, any program or operation
11 referred to in subsection (a), of this section, or reduce sub-
12 stantially the production in the United States of any agri-
13 cultural commodity or the amount of any product processed
14 in the United States from any such agricultural commodity
15 or product thereof with respect to which any such program
16 or operation is being, or threatens to be undertaken: *Pro-*
17 *vided*, That no certification under this section shall impose
18 any limitation on the total quantity of any article or articles
19 which may be entered, or withdrawn from warehouse, for
20 consumption which reduces such permissible total quantity
21 to proportionately less than 50 per centum of the total
22 quantity of such article or articles which was entered, or
23 withdrawn from warehouse, for consumption during a repre-
24 sentative period as determined by the Secretary of Agri-
25 culture: *And provided further*, That in designating any

1 article or articles, the Secretary of Agriculture may describe
2 them by physical qualities, value, grade, use, or upon such
3 other bases as he shall determine.

4 “(c). The fees and limitations imposed by the President
5 by proclamation under this section and any revocation, sus-
6 pension, or modification thereof, shall become effective on
7 such date as shall be therein specified, and such fees shall
8 be treated for administrative purposes and for the purposes
9 of section 32 of Public Law Numbered 320, Seventy-fourth
10 Congress, approved August 24, 1935, as amended, as duties
11 imposed by the Tariff Act of 1930, but such fees, or quanti-
12 tative limitations shall not be considered as duties or trade
13 barriers for the purpose of granting any preferential or other
14 concession under any treaty, trade agreement or other inter-
15 national obligation of the United States: *Provided*, That so
16 long as any proclaimed quantitative limitation provided for
17 in this section is in effect on an imported article, any duties
18 imposed on such article by the Tariff Act of 1930 or import
19 excise taxes imposed on such article by any Revenue Act
20 shall not be assessed and collected.

21 “(d) After investigation, report, finding, certification,
22 and proclamation issued pursuant to subsection (c) of this
23 section, any proclamation or provision of such proclamation
24 may be suspended or terminated by the President whenever
25 the Secretary of Agriculture finds and certifies to the Presi-

1 dent that the circumstances requiring the proclamation or
2 provision thereof no longer exist or may be modified by the
3 President whenever the Secretary of Agriculture finds and
4 certifies to the President that changed circumstances require
5 such modification to carry out the purposes of this section.

6 “(e) Any decision, findings, or certification of facts and
7 required fees or quantitative limitations of the Secretary of
8 Agriculture under this section shall be final.”

AMENDMENT

Proposed by Mr. MAGNUSON to the bill (S. 2522)
to stabilize prices of agricultural commod-
ities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed

81ST CONGRESS
1ST SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. STENNIS (for himself, Mr. SPARKMAN, Mr. EASTLAND, Mr. KEFAUVER, and Mr. CHAPMAN) to the bill (S. 2522) to stabilize prices of agricultural commodities, viz:

- 1 On page 4, line 8, after the word "nuts" insert the word
- 2 "cottonseed".
- 3 On page 4, line 15, after the word "nuts", insert the
- 4 word "cottonseed".

AMENDMENT

Intended to be proposed by Mr. STENNIS (for himself, Mr. SPARKMAN, Mr. EASTLAND, Mr. KEFAUVER, and Mr. CHAPMAN) to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 3 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed



lations of the Sino-Soviet Treaty of Friendship and Alliance of 1945 of the Soviet Union.

"It constitutes further evidence of Soviet infringement of China's political independence and territorial integrity.

"No stronger proof of this can be furnished than China's charge now pending before the General Assembly of the United Nations. There is thus all the more reason for the case to receive full and immediate attention.

"By the treaty of 1945 the Soviet Union solemnly pledged to recognize the National Government as the only government of China and engaged to give the National Government moral and material support. In recognizing the regime in Peiping now in rebellion against the National Government the Soviet Union not only is tearing the 1945 treaty to pieces, she is committing an act contrary to the recognized principles of international law and practice.

"That the regime set up in Peiping is Soviet-sponsored should now be clear to all the world. It is a puppet regime forced upon the people against their free will and its ideology is alien to Chinese civilization and the Chinese pattern of life.

"The Chinese Government in concluding the treaty (of friendship with Russia) in 1945 hoped the foundation of peace and security in the Far East would be laid. For this reason China always observed all her obligations therefrom, in spite of repeated Soviet violations.

"Recognition of the Peiping regime by the Soviet Union, therefore, not only is an act of aggression against China but also a threat to the peace and security of the Far East.

"The Chinese Government, in view of the utter disregard on the part of the Soviet Union of sanctity of treaty obligations, has decided to sever diplomatic relations with the Soviet Union and is taking steps to recall its diplomatic mission and consular posts in the Soviet Union."

Mr. KNOWLAND. I also ask unanimous consent, Mr. President, to have printed in the body of the RECORD the official State Department release dated February 9, 1946, giving the terms of the Yalta agreement.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Following is the text of the agreement between the President of the United States, Franklin D. Roosevelt, the Prime Minister of Great Britain, Winston Churchill, and Generalissimo Stalin, signed at Yalta on February 11, 1945. For simultaneous release in London, Moscow, and Washington:

"The leaders of the three great powers—the Soviet Union, the United States of America, and Great Britain—have agreed that in 2 or 3 months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that—

"1. The status quo in Outer Mongolia (the Mongolian People's Republic) shall be observed;

"2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

"(a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union,

"(b) the commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U. S. S. R. restored,

"(c) the Chinese-Eastern Railroad and South Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the preeminent interests of the Soviet Union

shall be safeguarded and that China shall retain full sovereignty in Manchuria;

"3. The Kuril Islands shall be handed over to the Soviet Union.

"It is understood that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

"The heads of the three great powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

"For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U. S. S. R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.

"J. STALIN.

"FRANKLIN D. ROOSEVELT.

"WINSTON S. CHURCHILL.

"FEBRUARY 11, 1945."

Mr. KNOWLAND. Mr. President, I merely wish to say in conclusion that it seems to me, in view of the unilateral violation by the Soviet Union of the Yalta agreement, that this is the time for the Government of the United States to denounce the Yalta pact.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. MURRAY. Mr. President, on behalf of the junior Senator from Minnesota [Mr. HUMPHREY] I submit an amendment to the pending bill and ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

Two amendments were offered yesterday, and went over until today. Does the Senator from New Mexico wish to indicate which one of those amendments he desires to have considered first?

Mr. ANDERSON. Either one of them.

First I should like to clear up one item. The amendment proposed by the distinguished Senator from South Carolina [Mr. MAYBANK] provided for the inclusion of all expenses and costs of the Commodity Credit Corporation, including interest, storage, and so forth. His amendment would work very well for certain commodities, but we find upon checking that it may not work for others. I was wondering if it was the understanding of the sponsor of the amendment that in the conference it might be possible for the conferees to deal with it and try to accomplish what I am sure was his purpose.

Mr. MAYBANK. Mr. President, my purpose in offering the amendment was to have the amendment apply to the major crops, cotton, wheat, corn, rice, tobacco, and peanuts. It was not intended to apply to perishable crops which could not be stored, and could not be easily handled. I trust the Senator from New Mexico feels as I do. I discussed the question with him. As a former Secretary of Agriculture, he knows the hardships which would be inflicted on the taxpayers and the Government if the Commodity Credit Corporation were allowed to sell the major crops

at 90 percent of parity and not even collect storage, warehouse, and other charges.

Mr. ANDERSON. I thank the Senator. That is the point I wished to clear up. In my own mind, at least, the amendment was not necessarily designed to apply to perishable commodities.

Mr. MAYBANK. It was not. It was intended to apply to the major crops.

Mr. ANDERSON. Mr. President, I think it will be satisfactory if the Senator from North Dakota [Mr. YOUNG] offers at this time an amendment on behalf of himself and the Senator from Georgia [Mr. RUSSELL].

Mr. YOUNG. Mr. President, on behalf of the Senator from Georgia [Mr. RUSSELL] and myself I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 3, beginning with the word "immediately" in line 6, it is proposed to strike out down to and including the word "effect" in line 8.

Mr. YOUNG. Mr. President, this amendment merely provides that 90 percent of parity shall be mandatory when producers are under either acreage control or quotas, and it applies only to the basic farm commodities.

Mr. President, I wish first to review briefly our past price-support programs, which will require only about 5 minutes, and then I shall speak to the amendment which is proposed.

Mr. President, the distinguished Senator from New Mexico [Mr. ANDERSON] and the members of the Senate Committee on Agriculture and Forestry are to be commended for the work and good thinking they have put into the Anderson long-range farm-price-support legislation, now the pending business before the Senate. It represents a long step forward in the field of long-range price-support legislation. While in my opinion it is far from a perfect bill, it is a great improvement over any previous legislation of its kind. I intend to support it unless more amendments are adopted which will tend to decrease the support level rather than increase it. I have particular reference to the amendment which was adopted yesterday, offered by the Senator from Illinois [Mr. LUCAS], which tends to reduce the support levels.

To my knowledge, the first long-range price-support legislation was enacted in 1938. Briefly, this provided for 52 to 75 percent supports for basic commodities—wheat, cotton, tobacco, corn, rice, and peanuts.

Its parity formula used as a base period 1910 to 1914. These particular years were used because it was thought to be a period when there was a favorable balance between the income of farmers, labor, and industry. It sought to help give farmers the same percentage of the national income as they had during that period.

Price supports from 1938 to the enactment of the Steagall amendment were maintained largely by loans to farmers on the basic commodities. A part of the

program was very similar to the present proposal of Secretary Brannan, better known as the Brannan plan.

Through this legislation, the Congress authorized the Secretary of Agriculture to pay—through parity payments—the difference between what the farmer actually received for his basic farm commodities in the market place and what was deemed to be parity or a fair price. While Congress made sizable appropriations to make up this difference, it appropriated only enough money to make full compensation to the farmers in one of these years.

The years that this price-support program was in operation were 1938, 1939, 1940, 1941, and 1942. The last year, 1942, was the only year during this period when Congress appropriated enough to make up this difference I have just pointed out; and this was largely because, as a result of the war, prices of farm commodities had risen to such an extent that only a very small appropriation was necessary fully to compensate farmers.

I wish to present a few figures on parity payments made to farmers during this period, and the amount appropriated each year for that purpose. These figures were obtained from Secretary Brannan under his signature, dated August 31, 1949. I ask unanimous consent that the full text of his letter and the tables that accompanied the letter be printed at the end of my remarks as part of the RECORD.

The VICE PRESIDENT. Without objection, the letter and tables will be printed as requested.

(See exhibit 1.)

Mr. YOUNG. While these tables give figures on all the basic farm commodities, for the sake of brevity I shall give only figures on the over-all program—that of appropriations necessary to make the full parity subsidy checks for all the basic farm commodities—rather than figures of the parity payments on individual basic farm commodities.

For the first crop year of this program, 1938, the Congress appropriated \$211,742,000. It would have required an appropriation of \$666,601,631 to pay the parity which was authorized under the legislation. This left a difference of \$454,859,631 which the farmers were entitled to under the parity-payment program which they never received. For the year 1938 Congress actually appropriated only 31.8 percent of the amount needed.

For the crop year 1939, to carry out the parity-payment program to farmers would have required an appropriation of \$598,550,956. The Congress appropriated for this purpose only \$196,761,000, leaving a balance of \$401,789,956 which the farmers were entitled to under this program, but never received. These payments for 1939 represented 32.9 percent of the total amount to which the farmers were entitled under this program.

I am giving these figures to indicate what would happen to the farm program if we again adopted a subsidy-payment program such as is now being proposed under another plan.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. The Senator refers to what would happen if the type of legislation which is being proposed were adopted. The Senator does not mean the Anderson bill, does he?

Mr. YOUNG. No. I have particular reference to the Brannan plan.

Mr. THYE. The Senator is referring entirely to the Brannan proposal rather than the Anderson bill?

Mr. YOUNG. Yes.

Mr. THYE. I was afraid the Senator's statement might be misunderstood unless that point were clarified. I understood the Senator to mean the Brannan program, but he spoke as though he meant the Anderson bill.

Mr. YOUNG. I am happy to have that point brought to my attention. The Anderson bill seeks to support prices in the market place through an authorization to the Commodity Credit Corporation to borrow \$4,750,000,000 from the Treasury, rather than be dependent upon annual appropriations.

For the crop year 1940, the program would have required a total appropriation of \$584,042,337, and Congress actually appropriated \$196,908,000, leaving a difference which the farmers were supposed to get under this parity-subsidy program of \$387,134,337. The payments made represented only 33.7 percent of the total amount authorized.

For the crop year 1941, when prices on basic farm commodities had risen sharply because of the war, it would have required appropriations in the amount of \$212,172,317. Congress actually appropriated \$201,719,000, leaving a difference of \$10,453,137. In percentage figures this was 95.1 percent of the total amount authorized by law for 1941.

For the crop year 1942, Congress appropriated \$159,947,000, which was the total amount authorized by law to meet these parity payments.

It is important to note that for the years 1938, 1939, and 1940, when farmers' net income, largely because of poor prices, was very low, Congress made the smallest appropriations to meet its commitments to farmers.

The fact that Congress for most of this period appropriated only approximately 35 percent of the amount necessary to meet these subsidy payments during the operation of this program, has a great amount of significance should a similar program be adopted in the future. We could expect that the Congress in future years would follow much the same course as it did during the operation of this program.

It is worth noting, Mr. President, that in only one of the years I have mentioned did the Bureau of the Budget even ask for an appropriation from Congress to carry out the provisions of that price-support legislation. It is noteworthy, too, that the Appropriations Committee also took a hand in writing legislation on the price-support program, by inserting limiting provisions of all kinds.

The support program under the act of 1938 was temporarily suspended when the so-called Steagall support-price program went into effect. That was during the war, and its purpose was to provide high-

er supports to encourage increased production, and to protect farmers against undue loss in the reconversion to peacetime production.

Mr. President, the next great step forward in farm-price-support legislation was the enactment of the so-called Aiken-Hope Act. In contrast to the 52 to 75 percent support levels of the 1938 act, the Hope-Aiken Act provided support levels of 60 to 90 percent of parity, using a new, modernized parity formula. While the act of 1948 provided flexible supports from 60 to 90 percent of parity, it extended the price supports to practically all farm crops, within the discretion of the Secretary of Agriculture. While, unfortunately, this program is often called the 60-percent-support program, it actually gave the Secretary authority to support all farm commodities at 90 percent of parity if he deemed it advisable. In this connection, Mr. President, I wish to quote a paragraph from a letter I received from the Under Secretary of Agriculture, A. J. Loveland, dated January 7, 1949:

With respect to your question as to whether the Secretary of Agriculture may support all farm commodities at 90 percent of parity if he deems it advisable, the answer is "Yes," except when producers have disapproved marketing quotas.

My question was directed to the provisions of the Hope-Aiken Act.

The act of 1948, more commonly known as the Hope-Aiken Act, was approved almost unanimously by the Senate only a little more than a year ago, with only three Senators voting against it. At that time it had the support of all the major farm organizations.

The Anderson bill now before us, Mr. President, again represents considerable improvement, in my opinion, over the act of 1948. While it, too, authorizes the Secretary of Agriculture to support farm commodities up to 90 percent of parity if he deems it advisable, the great difference between the two programs lies in the fact that the Anderson bill makes mandatory higher support levels and leaves less discretion with the Secretary of Agriculture. It provides support levels from 75 to 90 percent of parity, as compared to 60 to 90 percent in the act of 1948. It makes mandatory support levels for milk and butterfat between 75 and 90 percent of parity. Its mandatory price-support provisions, so far as shorn wool and Irish potatoes are concerned, are comparable to those of the act of 1948. It authorizes support levels of 75 to 90 percent of parity for such major nonbasic storable commodities as oats, barley, rye, flax, pork, beef, eggs, and poultry. It is estimated by many authorities that the more rigid supports in the Anderson bill, together with the inclusion of farm-labor costs in its parity formula, represent an increase of nearly 20 percent in support levels over the act of 1948. This is a great step forward, I believe, but still is not all that the farmer is entitled to.

The Anderson bill presently provides support levels at 90 percent of parity for basic farm commodities for only the first year that they are under acreage control of quotas. In my opinion, rigid 90 per-

cent supports should be mandatory at all times when farmers are under either acreage control or quotas.

It is for that reason that the able Senator from Georgia [Mr. RUSSELL] and I have submitted the pending amendment to require these rigid 90-percent supports when a farmer is under either acreage control or quotas.

In justification of this amendment, I wish to point out that in the Anderson bill now before us, 90 percent of parity under its new parity formula on most basic farm commodities gives price-support levels considerably below 90 percent of parity using the old 1910-14 base-period formula, which has been used in all previous agricultural programs in recent years.

For example, 90-percent supports for wheat under the Anderson bill would make the support price \$1.71 a bushel, in contrast to \$1.94 under our present program, or a reduction of 23 cents a bushel.

The 90-percent support in the Anderson bill on wheat next year is held to \$1.84 because of the 5-percent transitional provision in the bill. For example, the 100-percent parity for wheat under the modernized parity would be \$1.90, and the 100-percent parity under the present formula would be \$2.15. Since \$1.90 is more than a 5-percent reduction from \$2.15, the transitional parity for wheat under the Anderson bill would be \$2.04; and the support price, at 90 percent of parity, would be \$1.84, rather than 90 percent of \$1.90, or \$1.71.

I do not know whether I make myself clear on this point, Mr. President. I know that many farmers are certainly confused about it. Few realize, when considering price supports, that each of the parity formulas in the various programs to which they apply vary in dollar levels. When speaking of price supports, we take whatever percentage of support is provided, and apply it to the parity formula.

This same reduction in support levels in wheat applies to other basic farm commodities, as well, although in a somewhat lower amount. For example, 90 percent support prices under the Gore bill, our present program, for cotton would be 0.2723 cent per pound. Under the Anderson bill it would be 0.2557 cent, or a reduction of about 10 percent. Ninety percent for corn under the present program is \$1.41, and under the Anderson bill \$1.36.

There is a somewhat similar drop, Mr. President, also in respect to eggs, potatoes, oats, barley, rye, and particularly oranges. In the case of oranges, our present support program would be dropped from \$3.29 a box to \$2.05 a box. Because of the transitional provision which prevents a drop in parity of more than 5 percent a year, the support level at 90 percent under the Anderson bill for the first year would be \$3.13 a box but, eventually, at the end of the transitional period, the support level for oranges would be \$2.05 a box.

Barley is another good example of the drastic drop in parity; I am speaking of full parity now, under the Anderson bill. Our present parity formula at 100 percent calls for \$1.50 a bushel, in contrast

to \$1.24 a bushel under the Anderson bill. To be completely fair, I should point out that the Brannan formula would drop full parity for barley even lower, or to \$1.20 a bushel.

Presently the wheat farmer is required to reduce their acreage or production of any given commodity, thereby greatly reducing their income, in my opinion they are entitled to 90 percent of parity, especially under the new lowered support level.

Presently the wheat farmer is required to reduce his acreage 17 percent. If a wheat farmer also raises corn, which is often the case, he will be required to reduce his corn acreage; and, eventually, if surpluses become sizable, as was the case before the war, the same farmer will undoubtedly be required to reduce his acreage of other important crops, such as oats, barley, and rye.

In many States farmers may produce three or four basic commodities, such as cotton, tobacco, wheat, and corn. Such a farmer would be required to reduce his acreage of all the commodities he produces.

Certainly, under such conditions which greatly reduce income, in order to maintain financial solvency, farmers will have to have 90 percent of parity, particularly should the Anderson bill become law, which, as I previously pointed out, considerably reduces the support levels on these major crops in the United States.

Unless the amendment offered by the Senator from Georgia [Mr. RUSSELL] and myself is adopted, the support levels, after the first year of operation will range from 75 to 90 percent of parity. From a practical point of view—that is with respect to the operations of this price-support program—it is my belief that 90-percent supports when under acreage control or quotas are a must.

For example, farmers are presently required to reduce wheat acreage 17 percent. In all probability most wheat farmers will comply with this directive from the Secretary of Agriculture, largely because they will be assured, under the Anderson bill or our present program—which is represented by the Gore bill passed by the House—90 percent supports for next year's crop.

After the first year of operation of the Anderson bill, if it should become law, the farmer even while under acreage control or quotas would receive a support price ranging from 75 to 90 percent of parity. I doubt very much, Mr. President, whether the great majority of the farmers would comply with the directive of the Secretary of Agriculture to reduce the acreage 17 percent if they were only assured a support price of from 75 to 90 percent of parity. In all probability, there would be great numbers of farmers who would stay outside the program and continue to produce at their present rate—or even at a greater rate.

With our dwindling exports of basic commodities, undoubtedly the surpluses will be so high that under the provisions of the pending bill the support levels probably will range little above 80 percent of parity. Eighty percent of parity will not give to the wheat farmer, I am sure, even the cost of production. This

support level, which is a great improvement over prewar years, undoubtedly would prevent a farmer from going into bankruptcy for a few years; but it would certainly not allow him to make the profit to which he is entitled.

Thus, if the farm income should be only sufficiently high to take care of part of the cost of operation, the buying power of the farmers, compared to that of the past few years, would be vastly reduced. This great reduction in purchasing power on the part of farmers would go a long way toward leading the Nation into another depression.

I should like to point out that these support levels would provide a market price of approximately only 50 percent of the price the farmers received for wheat, pork, beef, flax, oats, barley, rye, dairy products, and other products during the war, and until a year ago when prices broke sharply.

To those who believe the farmers were receiving exorbitant prices, I wish to point out that the prices would have been far higher had it not been for export controls and other governmental actions. For example, the Argentine was selling wheat at from \$5 to \$6 a bushel for a long while after the war, while the United States was selling wheat for a little over \$3 a bushel. Through export controls, the United States Government effectively held the price of wheat to a little more than \$3 a bushel. The same situation affected many other products. Only in the last year has the executive department of our Government lifted export controls on fats, oils, pork, and many other products. By foreclosing the farmer to the European market, the price has been held to much lower levels than the farmers of many other agricultural nations have been able to receive.

There would be at least some small justification for lowered support levels if there were any prospect of a reduction in prices of the industrial goods which a farmer must buy in large quantities.

As we are discussing the problem in the Senate today, large segments of labor are securing increased wages and benefits which are denied to farmers, such as \$100 a month pensions upon retirement.

With these increased labor costs to the manufacturers of farm machinery, and the attitude of the great industries of the United States to maintain exorbitantly high prices for their products at a time when they have record net incomes, there is little likelihood that farm machinery or other industrial goods which the farmer has to buy in large quantities will be reduced in price in the immediate foreseeable future.

After all, Mr. President, it seems to make little difference to the consumers whether wheat is selling for \$3.50 a bushel, as it once was, or \$2, as it is now. I have yet to find a city in the United States where the price of bread has been reduced even one cent a loaf. The same situation applies to almost every other farm commodity.

Mr. RUSSELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. YOUNG. I yield.

Mr. RUSSELL. The Senator commented on the fact that industrial wages have increased greatly, much more so than has the parity on farm commodities. He has also commented on the security plans being adopted by various concerns employing thousands of industrial laborers, who also secure high wages. I am sure the Senator, when he is considering the disparity between farmers and other groups, does not overlook the fact that the farmer is also not under the present social-security system of the United States.

Mr. YOUNG. I appreciate that remark, coming, as it does, from one who is, I believe, the best friend the farmers have in Congress. The benefits to labor are coming at a time when farm prices have dropped as much as 50 percent. Still, in the farm program we are proposing to give the farmer less than he has had in the past, though labor has had three rounds of wage increases and is now seeking the fourth.

The hearings presently conducted by the Senator from Iowa [Mr. GILLETTE], chairman of the special committee looking into new uses for agricultural surpluses and other problems in agriculture—a committee of which I am proud to be a member—has effectively demonstrated some very obnoxious and unfortunate business practices. During one of the recent hearings, a large milk distributor from New York City testified he was selling milk at 20 cents a quart. He told the committee that his net profits were \$26,000,000 last year or approximately 10 percent, even after certain questionable deductions. One of these which I believe is unreasonable is the \$150,000-a-year salary for the head of this company, and the \$90,000 and \$110,000 salaries of his assistants. Farmers are riding no such gravy train.

There are some who think and believe that the farmers are receiving large subsidies from the Government. As a matter of fact, Mr. President, during all the operations of the price-support program, and up until about 2 years ago, there was a net profit to the Government. It is true there have been some rather heavy commitments under the \$4,750,000,000 borrowing authority to support farm prices, but this does not indicate that all, or even any large part of this sum, will result in a net loss.

While I am speaking of subsidies, it appears it is not common knowledge that business and labor are receiving far larger subsidies than the farmer. Business is protected by many tariffs.

The newspaper and magazine industries are subsidized by the Postal Department. They receive rates far below the cost to the Government. This yearly subsidy, I am told, exceeds \$200,000,000.

The air lines are subsidized by mail contracts to protect them against loss. The rates of power companies and telephone companies are fixed by the Government to guarantee them against loss. Railroads were subsidized by hundreds

of millions of dollars worth of land grants and through other methods.

According to Government figures, during the war business was subsidized to the tune of more than \$6,000,000,000 to guarantee them against loss. Contrast this to Government operations in the farm price-support field where there was actually a profit to the Government at the close of the war.

Business in general is subsidized through marine shipping rates, and through Government pay for harbor and river development. Business is further helped through subsidies to mining interests. Mr. President, these are only a part of the subsidies which business receives.

Labor, too—while highly organized and able to secure several rounds of wage increases since the war, and other benefits such as pensions—receives large subsidies from the Government. One example of such subsidy comes under retirement benefits, when half the cost is paid by the employee, and half by the Government.

Mr. President, I was very much dismayed and disappointed to hear three Senators yesterday attack the cost to the Government of the farm price-support program. I particularly regretted to hear such statements coming from farm-State Senators.

It is true there have been some rather bad examples of price-support operations, but this can be largely charged to the Congress itself and to the Department of Agriculture. There has been much bad publicity of the potato-support program. I wish to point out that potato growers themselves asked that the support levels be reduced below 90 percent of parity. As Congress failed to act on their request, the Congress can rightly be charged with a part of the responsibility. I believe the Secretary of Agriculture also acted unwisely in this instance in the price-support program.

I may point out again that the basic farm commodities in the amendment the Senator from Georgia [Mr. RUSSELL] and I are sponsoring providing 90-percent supports will not result in excessive expenditures since the production of these commodities is quite easily controlled by either acreage allotments or quotas.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. In view of the statement of the Senator from North Dakota calling attention to the subsidies enjoyed by various branches of industry, such as air lines and ship lines, I think it should be emphasized in the argument that it is just as easy to justify subsidies for agriculture as it is to justify subsidies for ship lines or air lines, because we have repeatedly heard from the Chiefs of Staff that the great agricultural industry contributed not only to winning the war, but it is one of the great contributing factors to maintaining the peace.

Mr. YOUNG. The Senator is exactly correct. I think that in the event of another war the stock piling of wheat will be just as essential as will be that of any other commodity. I may say that we are presently stock piling castor oil.

If there should be another war we would probably need the castor oil.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. I wonder if the Senator will clarify the statement which he made a few moments ago to the effect that if the support prices were dropped to 75 or 80 percent acreage allotments would be affected, and now he says that with the support price at 90 percent it would be a comparatively simple matter to control acreage allotments. I wonder if he means that there is less temptation to exceed acreage allotments at the higher price than at the lower price, or what the point is the Senator wishes to bring out?

Mr. YOUNG. Supposing the Anderson bill did not contain a provision such as I have been discussing. I know that so far as the wheat farmers are concerned, many of the larger producers would stay out of the program. The fact that they are assured of 90 percent support if they come under it, will cause most of them to do so.

Mr. AIKEN. But if they did not comply with acreage allotments they would receive no support whatever.

Mr. YOUNG. That is correct.

Mr. AIKEN. Of course, the purpose of the flexible support level is to avoid controls to the maximum extent possible. We are producing in eastern United States and probably in other sections of the country a great amount of wheat, produced by wheat growers who are tempted by the 90 percent guaranty and who would not be tempted by the 80 percent figure. I was told by one grower who had planted a large acreage that he would not have planted any if there had been a lower support price. What we tried to do was to get the production of each commodity back into the areas in which it can be best produced. In the case of wheat there is no State, probably, which excels the State of North Dakota in ability to produce wheat. During the past 3 or 4 years, as I have driven from Washington to Vermont, I have passed thousands of acres of wheat which is produced wholly in response to the urging of the Government and the incentive price offered. The wheat is grown on land which naturally would not otherwise be raising wheat.

Mr. YOUNG. I should like to point out to the able Senator from Vermont that under the Anderson bill, if we have 80 percent supports at the end of the transitional period, which would be in 2 years, the support price of wheat would range around \$1.60 a bushel or less. I do not think the farmers in the East would care to produce wheat for \$1.60 a bushel.

Mr. AIKEN. I believe it has been estimated that the support price of wheat for 1950, under title II of the 1948 act, would have to be fixed between 82 and 90 percent of transitional parity. I do not recall what that is. I think it is approximately \$1.86 a bushel maximum. I believe the Senator has said it could go down to \$1.71. I have the feeling that it will be raised slightly, because I suspect that the yield has been slightly overestimated, and there is likely to be a small reduction. But the Secretary

would have that range within which to fix the support price for wheat next year. I am not sure that that would discourage the growing of wheat in the eastern areas, even if it were fixed at the very lowest, 82 or 83 percent. But the Secretary has already declared acreage allotments. We hope he will be able to control production without having to resort to quotas. The goal aimed at in 1948 was to reduce Government controls to a minimum, because some Government controls lead to more Government controls. Government controls over agriculture lead to Government controls over something else. We want to get away, so far as we can, from a Government-controlled economy generally. I do not think wheat will be too badly affected next year. The support which it will receive will not be far from 90 percent, under whatever law has been proposed or whatever law is already on the books.

Mr. YOUNG. In my opinion, having been a farmer all my life, rather than to receive a price below the cost of production, a farmer would gladly accept acreage control.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. I wonder if the significance of the point which the Senator is so effectively making does not lie in the single comment of the Senator from Vermont when he said that in the Eastern States areas now raising wheat may go into raising something else, because they are not normally wheat-raising areas. So we must recognize that the flexible support price works differently in different parts of the country. In the East I think it is entirely conceivable that a low support price would discourage a farmer from raising wheat altogether, but in the great wheat-raising areas in North Dakota, South Dakota, and Montana, where the entire agricultural industry is geared to the capacity to raise wheat, if the price is dropped too low the farmer will have to raise all the wheat he can, while a comparatively low price in the East might discourage farmers from raising wheat.

Mr. YOUNG. I believe that is a very good observation.

Mr. AIKEN. Mr. President, if the Senator will yield, let me say that we are trying to encourage conversion to a greater animal industry in this country. The new parity formula raises the parity price of animal products and lowers the parity price of grains somewhat. Those who defend it feel that the result will be not only better dietary levels, more adequate supplies of meats—I am told that round steak is still priced at 90 cents a pound on the market—but it will provide a market for from 4 to 7 bushels of grain where only 1 bushel could be marketed in the form of cereal. I do not think we should depend indefinitely on the occupied areas using our surplus grains as much as they now use them. It has

seemed to me for some time that the greatest potential increase in the market for grain lies in our domestic use. If we can market 4 to 7 bushels instead of one, it would contribute to the broadening of the grain market. That is one of the principal objectives we have all been working for. I think we all agree to that.

In the East we have had a good many acres put into wheat and other grains which probably should have remained in pasture, or even woodland. It seems to me that if this program works out, we will have the wheat growing concentrated in the areas best suited to raising wheat, the growing of apples concentrated in the areas best suited to the growing of apples, and the raising of cotton in areas best suited to the growing of cotton. That necessitates adjustment.

Above all else, let us not look for a check from the Government or a loan from the Government as the first line of attack in the battle for farm prosperity. Let us regard that as the last resort instead of the first resort and work first of all for a decent price in the market place. If we are unable to get that, then let us use the Government loan, or purchase, as the last line of defense. I agree with the Senator from North Dakota, we have to hold that line.

Let us get away from controls as far as we can. I do not want to see the people of North Dakota have to cut their wheat acreage. The cost per bushel goes up very rapidly as acreage is reduced. The Department of Agriculture, or the BAE, has figures showing the effects of the reduction of crops on what they call a model wheat farm, consisting of about 675 acres, of which about 175 or 180 acres is annually planted to wheat. They found that if the acreage were cut 25 percent, which at that time we feared wheat acreage would have to be cut, the over-all cost of operating the farm would be reduced only 10 percent, due to the high depreciation of the mechanized equipment, with which the Senator from North Dakota is very familiar. We have certain fixed costs on the wheat farm now, and other farms, which cannot be reduced when acreage is reduced.

Mr. YOUNG. I would agree with the Senator that that looks good on paper, but my experience is that it does not work out in practical application.

Mr. AIKEN. The BAE found that on the farm referred to raising the normal acreage of wheat, at \$1.55 a bushel, the net return to the farmer was a few hundred dollars more than it would have been raising 75 percent of the normal acreage of wheat at \$2 a bushel.

Mr. YOUNG. That would apply if the support level of wheat were above the cost of production, but when the support level is reduced below the cost of production, it does not make any difference whether the farmer produces one bushel or a hundred thousand bushels, he is going to lose money.

Mr. AIKEN. The more we reduce below the cost of production the more the farmer loses, but I am using the figures of the BAE as I think they were developed about last January. I am not sure what the date was.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield to the Senator from South Dakota.

Mr. MUNDT. If I understand the argument of the Senator from Vermont, the figures from the BAE indicate that the reduction in the cost of producing wheat does not correspond to the number of acres which have been cut.

Mr. AIKEN. That is correct.

Mr. MUNDT. That would constitute a rather strong argument in support of the amendment of the Senator from North Dakota and the Senator from Georgia, because if the costs of producing do not fall correspondingly with the reduction in production, it would tend to justify the 90-percent support level when provisions are in operation requiring reduced production.

Mr. AIKEN. The sequel to the story is that the BAE necessitates controls and a continuous cut in the better wheat areas, because the 90 percent continues the production in the marginal-producing areas.

Mr. MUNDT. The amendment provides that the 90-percent floor becomes operative only at such time as there are in operation either controls or quotas.

Mr. RUSSELL. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield to the Senator from Georgia.

Mr. RUSSELL. The distinguished Senator from South Dakota made one of the points I planned to make when I sought to interrupt the Senator from North Dakota.

The other comment I wish to make is that the Senator from Vermont talks about how distasteful controls are, and how much he dislikes to see controls. I am sure that that feeling is widespread, not only among Members of Congress, but among the farmers themselves. But this amendment is not to take effect until, by the dire force of circumstances, we have been compelled to apply controls. So it has nothing to do with whether we are reluctant to impose controls, because the amendment will not apply unless the controls have actually been imposed.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield so that I may reply to the remarks of the Senator from Georgia?

Mr. YOUNG. I yield.

Mr. AIKEN. The amendment offered by the Senator from North Dakota and the Senator from Georgia would mean permanent 90 percent support of corn, wheat, rice, peanuts, and tobacco. Up until a few months ago it would have meant permanent 90 percent support for cotton also. However, cotton would have acreage allotments wherever quotas

are in effect. Tobacco has what amounts to continuing quotas unless voted down by growers.

The reason for my statement is that in the Agricultural Act of 1938 there is a requirement that the Secretary proclaim acreage allotments each year for corn, wheat, rice, and peanuts, and when quotas are in effect acreage allotments would be proclaimed for tobacco and cotton. Therefore the Secretary is required, except in times of national emergency, to proclaim acreage allotments for corn, wheat, rice, and peanuts every year, and for cotton and tobacco when quotas are in effect.

The provisions of the act of 1938 were never repealed. They are on the books today. The Secretary is complying with them, and has already proclaimed acreage allotments for wheat for next year. He will have to do the same for rice, peanuts, and corn. Therefore, under the amendment offered by the Senator from Georgia and the Senator from North Dakota, 90 percent support for those four commodities will be mandatory indefinitely, and not merely for 1 year, or any period of years.

Mr. YOUNG. Mr. President, I am sorry to disagree with my good friend from Vermont, but I do not think that would be the case at all. There may be quotas next year, and the output may be reduced. We may export more, or we may have a poor crop.

Mr. RUSSELL. Mr. President, if the Senator will yield, I do not see that the argument of the Senator from Vermont is applicable at all to the point I made, which was that the amendment would not apply unless there were controls. The Senator has not refuted that statement, I hope.

Mr. AIKEN. No, and I think this is a good time to make the matter plain. If the bill shall be amended as recommended by the Senator from North Dakota and the Senator from Georgia, item 1 on page 3 will read as follows:

The level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect.

Acreage allotments are required to be in effect for four of the basic commodities every year, except that they may be suspended during a period of national emergency. Therefore, the effect of the amendment which is offered will be a permanent 90-percent support for these basic commodities. There is no qualification to that statement. It is correct.

Mr. YOUNG. Mr. President, I should like to point out to the Senator from Vermont that the Secretary of Agriculture may ask for a 25-percent reduction in wheat acreage if he cares to. In my judgment the farmer would rather have that and get the cost of production.

Mr. AIKEN. That is not the point. Even if there is not a normal supply, the Secretary is required to proclaim each year acreage allotments as to the four basic commodities I have named.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. MUNDT. The curtailment of the production the Senator envisages occurs each year, depending on the unpredictability of the weather and Mother Nature. But we may have the Secretary asking for a stimulus of production rather than a curtailment.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. AIKEN. When the supply begins to get lower, 90 percent supports are automatically in effect, and if the supply gets so low as to jeopardize our national security, the Secretary can fix the support at such level above 90 percent as he deems necessary to assure adequate crops. The point I am trying to make is that acreage allotments have to be in effect for four basic commodities every year, regardless of supply, unless suspended by reason of national emergency. Those provisions of the law have been suspended during the war years. This year they are in effect again, and I am sure the Secretary of Agriculture will be glad to tell Senators that he was simply complying with the law when he proclaimed acreage allotments for wheat. It is hoped that acreage allotments will control the wheat surplus. If they do not, the Secretary will have to ask the farmers to vote on quotas.

Mr. YOUNG. Mr. President, I should like to point out with reference to the remarks made by the able Senator from South Dakota [Mr. MUNDT], what nature does in the way of surpluses; that she did a pretty good job in taking care of my surplus this year. I received just enough to pay my insurance and the taxes on my farm buildings.

Mr. President, the farmer is caught between highly organized labor on the one hand, which does a pretty good job of getting the things it wants, and on the other side by large business monopolies which are reaping tremendous profits at the expense of the farmer and the consumer.

In steel and other industries, there is little competition left, since almost every segment of the steel industry raises its prices straight across the board at the same time.

A fair income to the farmer, which this 90 percent mandatory provision would provide, would go a long way toward stabilizing the economy of this Nation. Certainly we have not forgotten the lessons of the late twenties and early thirties, when the bankruptcy of the farming industry caused a Nation-wide depression.

Farmers are looking for friends to help give them a little security in this economy where free enterprise has practically disappeared—except in his business. In my opinion, farmers are the most independent thinkers in the entire Nation. For the past several years they have sat as referees, so to speak, in the great fight

between labor and industry. They have tried to be fair. Sometimes they have voted for Presidents favorable to labor, and at other times for Presidents favorable to industry. What farmers do in the future will determine largely the type of government we will have.

In my opinion, farmers in the Midwest voted in the last election for a Democratic President largely because of the constant attacks made by spokesmen for industrial interests upon the farm price-support programs and other programs which the farmers deemed highly essential to their future security.

While I have been a farmer all my life until I came to the United States Senate, the farmers in my State probably no longer would classify me as an actual farmer. Many of them, I am sure, now rightfully call me a "sidewalk farmer."

Because my entire life was spent on a farm, and because I have experienced years of poverty and adversity, I believe that my thinking and sympathy are still with the farmers; and to a considerable extent I believe I can speak for them.

I have probably ridden tractors more hours than any other member of the Senate. Although there are some Members of the Senate who were formerly in the dairy business, I believe I have had more cows' tails wrapped around my ears in fly time than any other Senator.

I am sure that I have custom threshed more hours than all the rest of the Members put together, and during the years of custom threshing no doubt spike-pitched more hours than any other Senator. I doubt if more than a dozen Members of the Senate even know what spike-pitching means.

Unless the farmer is given assurance of at least the cost of production under the provisions of this bill, the farmer will not only lack the opportunity which he deserves to sell at a fair price his farm commodities, which, after all, represent the fruits of his labor, but, in my opinion, we shall be headed for another depression.

As I view the farm vote in the last election, I am certain that there was no mandate to reduce price-support levels. On the contrary, the mandate was to increase these levels of support.

My observations at the Republican farm conference held recently in Sioux City, Iowa, were that the farmers there, while willing to accept some flexibility in a farm price-support program, were not thinking of lower support levels, and particularly when under either acreage control or quotas.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks a table prepared by the Department of Agriculture giving price-support levels under the various proposals now before Congress.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified commodities: Estimated maximum support levels for 1950 based on parity index for July 15, 1949, and estimated average prices received by farmers, 1940-49

Commodity	Unit	90 percent present parity (Gore bill)	90 percent title II 1948 act (Aiken Act)		90 percent title II 1948 act including wage rates ¹ (Anderson plan)		Income support standard (Brannan plan)
			Including transitional ²	Excluding transitional ²	Including transitional ²	Excluding transitional ³	
		(1)	(2)	(3)	(4)	(5)	(6)
Basic commodities:							
Wheat.....	Bushels.....	1.94	1.84	1.62	1.84	1.71	1.86
Corn.....	do.....	1.41	1.34	1.29	1.36	.....	1.45
Cotton.....	Pounds.....	.2723	.2587	.2418	.2587	.2557	.2776
Rice.....	Bushels.....	1.78	1.96	.....	2.07	.....	2.24
Peanuts.....	Pounds.....	.105	.100	.081	.100	.085	.0937
Tobacco:							
Flue-cured.....	do.....	.422	.428	.....	.453	.....	.487
Burley.....	do.....	.410	.435	.....	.460	.....	.490
Nonbasic commodities:							
Butterfat.....	do.....	.578	.586	.....	.657	.....	.663
Milk, wholesale.....	Hundredweight.....	3.51	3.69	.....	4.09	.....	4.19
Hogs.....	do.....	15.90	16.60	.....	17.50	.....	18.80
Eggs.....	Dozens.....	.472	.443	.400	.448	.423	.454
Chickens.....	Pounds.....	.250	.257	.....	.272	.....	.288
Flaxseed.....	Bushels.....	3.71	3.78	.....	3.99	.....	4.27
Soybeans.....	do.....	2.11	2.24	.....	2.37	.....	2.52
Beans, dry edible.....	Hundredweight.....	7.40	7.44	.....	7.87	.....	8.38
Potatoes.....	Bushels.....	1.61	1.53	1.40	1.53	1.47	1.57
Beef cattle.....	Hundredweight.....	11.90	14.70	.....	15.60	.....	16.70
Lambs.....	do.....	12.90	15.80	.....	17.00	.....	18.20
Oats.....	Bushels.....	.877	.833	.731	.833	.773	.818
Barley.....	do.....	1.36	1.29	1.03	1.29	1.14	1.21
Apples.....	do.....	2.11	2.31	.....	2.44	.....	2.59
Wool.....	Pounds.....	.402	.446	.....	.471	.....	.492
Oranges.....	Boxes.....	3.29	3.13	1.94	3.13	2.05	2.06

¹ Adjusted base prices for beef cattle, lambs, milk, and butterfat include wartime subsidy payments. Farm wage rates combined with the present parity index. Farm wage rates are weighted 7.8 percent and the present parity index is weighted 92.2 percent.

² Transitional parity prices for 1950 are 95 percent of parity prices according to the present formula. Transitional parity prices would apply for wheat, corn, cotton, peanuts, eggs, potatoes, oats, barley, and oranges in column 2. For all these commodities except corn transitional parity prices also apply in column 5.

³ Prices appear in these columns only for those commodities for which the transitional parity price is higher than the parity price according to the new formula. The transitional parity prices appear in columns 2 and 4. Prices in columns 3 and 5 are parity prices according to the new formulas disregarding the transitional feature.

Mr. YOUNG. Also, Mr. President I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a news story I have prepared which gives a detailed analysis of the various price-support programs now being proposed—the Gore bill, Brannan plan, Aiken Act of 1948, and the Anderson bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farm-price-support legislation is probably among the most complicated and difficult pieces of legislation for lawmakers as well as the general public to understand. As a result, most farmers who request 90- or 100-percent supports rarely indicate under which program they desire this support level. Since all of the four price-support plans use a different parity formula, it is obvious that 100-percent-support levels under one formula mean wholly different support prices than under another formula.

For example, under the Brannan plan, 100-percent supports for wheat are 10 cents a bushel lower as of September 1, 1949, than our present 90-percent-support program. To help give a better understanding of price-support levels, I am presenting a brief analysis of the four different plans and the support levels they seek to provide.

To determine what support price would be attainable, it is necessary to apply the percentage support under the provisions outlined below to the parity price formula to which it is applicable. It is important, too, in calculating supports, to remember that both the Anderson plan and the Aiken Act have a transitional parity-price provision which prevents a drop in the parity price of not more than 5 percent a year in changing from the present formula.

For example, the parity price for wheat under the modernized parity formula would be \$1.90 and the parity price under the present formula of the AAA Act of 1938 would be \$2.15. Since \$1.90 is more than a 5-percent reduction from \$2.15, the transitional parity price for wheat under the Anderson bill would be \$2.04 and the support price—at 90 percent of parity—would be \$1.84 rather than 90 percent of \$1.90, or \$1.71.

With the wide flexibility of provisions in all the price-support programs, it is obvious that the level of support, with the exception of a few basic commodities, is determined largely by the attitude of the Secretary of Agriculture and the amount of money made available by Congress for this purpose.

Important, too, is the degree of efficiency in which he operates the price-support program; how much advantage he takes of ECA and other appropriations to expand exports; his alertness in finding foreign markets for surpluses; the use he may make of legislation to prohibit excessive imports of farm commodities when they are interfering with the price-support program; and the amount which tariffs are lowered to permit a flood of cheaply produced foreign agriculture commodities.

The following analysis was prepared with the assistance of a staff Member of the Senate Agriculture Committee, and the legislative counsel of the United States Senate:

"ANDERSON BILL

"(Permanent legislation)

"(See Anderson parity formula)

"The Anderson bill provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice and peanuts, for the first year when under either acreage allotments or marketing quotas at 90 percent of parity, and in all other years between 90 and 75 percent, the

minimum varying within such limits as the supply varies from 102 (108 in the case of peanuts and cotton) to 130 percent of normal supply. The Secretary of Agriculture would have authority to set the support at 90 percent or at any level down to the minimum in the case of any basic or nonbasic commodity.

"2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. In the case of wool other provisions would assure certain 90 percent supports for several years.

"3. Mandatory price supports for whole milk and butterfat between 75 and 90 percent of parity.

"4. Oats, barley, rye, flax and other storable nonbasics to be supported at between 75 and 90 percent of parity, and support is mandatory at such levels whenever production controls are in effect.

"5. Pork, beef, eggs, and poultry to be supported at between 75 and 90 percent of parity.

"GORE BILL

"(1-year extension of present program only)

"(Use Gore parity formula)

"The Gore bill provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice, and peanuts, at 90 percent of parity for the 1950 crop.

"2. Mandatory price supports for milk and its products, hogs, chickens, and eggs at 90 percent of parity during 1950.

"3. Mandatory price supports during 1950 for turkeys, Irish potatoes, flaxseed, soybeans and other Steagall commodities at not less than 60 percent of parity and not more than the level at which the commodity was supported in 1948.

"4. All other commodities to be supported between 0 and 90 percent of parity at the discretion of the Secretary.

"AIKEN ACT

"(Permanent legislation)

"(Use Aiken parity formula)

"The Aiken Act provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice, and peanuts, between 90 and 60 percent of parity, the minimum varying within such limits as the supply varies from 70 to 130 percent of normal supply. Whenever acreage allotments or marketing quotas are in effect, the support level would be increased 20 percent, which would make the minimum level no lower than 72 percent in actual operation. The Secretary has ruled that if he deems it advisable, he can set the level of support at 90 percent in any year, but in no event can the level be set at less than the minimum provided.

"2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. Other conditions of support same as Anderson bill.

"3. All other nonbasics including rye, barley, oats, flax, eggs, poultry, dairy products, beef, and pork to be supported between 0 and 90 percent of parity, at the discretion of the Secretary.

"4. Allows perishable farm commodities to be supported by subsidy payment to farmers but limited by the funds it may use for that purpose.

"BRANNAN PLAN

"(Permanent program)

"(Use Brannan parity formula)

"The Brannan plan provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, whole milk, eggs, chickens, hogs, beef cattle, and lambs, at 100 percent of parity (or the income-support standard). The support price of whole milk, eggs, chickens, hogs, beef

cattle, and lambs may be reduced by not more than 15 percent at the discretion of the Secretary to maintain proper feed ratios.

"2. All other agricultural commodities can be supported from 0 to 100 percent of parity at the discretion of the Secretary.

"In addition, the Brannan plan limits price supports to individual farms to 1,800 units or approximately \$20,000. Any production above that limit would be ineligible for support.

"3. Allows unlimited practice of supporting perishables by subsidy payment. Secretary Brannan's many statements to the Senate Agriculture Committee and public statements make plain his purpose to allow prices of perishable commodities to drop to any level the supply-and-demand market would provide and make up the difference to the farmers by a subsidy check which would be subject to yearly appropriations by Congress. The major perishables coming under this program would be pork, beef, dairy products, poultry, potatoes, vegetables, and fruits."

The following table was prepared by the United States Department of Agriculture:

Estimates of 100-percent parity for selected commodities under various alternative plans¹

Commodity (1)	Unit (2)	100 percent parity under—			
		Aiken (title II), Public Law 897 (3)	Anderson plan, S. 2522 ² (4)	Brannan plan support standard (5)	Gore bill, H. R. 5345 (6)
Wheat.....	Bushel.....	\$1.80	\$1.90	\$1.84	\$2.15
Corn.....	do.....	1.40	1.49	1.44	1.56
Butterfat.....	Pound.....	.642	.716	.658	.639
Milk.....	Hundredweight.....	4.06	4.48	4.16	3.89
Hogs.....	do.....	18.10	19.20	18.60	17.70
Eggs.....	Dozen.....	6.439	5.465	5.450	5.522
Chickens.....	Pound.....	.278	.295	.285	.277
Flaxseed.....	Bushel.....	4.13	4.37	4.23	4.11
Potatoes.....	do.....	6.155	6.164	1.57	1.78
Beef cattle.....	Hundredweight.....	16.20	17.30	16.60	13.20
Lambs.....	do.....	17.60	18.90	18.10	14.30
Oats.....	Bushel.....	7.792	7.838	.812	.970
Barley.....	do.....	5.17	5.124	1.20	1.50
Wool.....	Pound.....	.479	.507	.491	.445

¹ Based upon index of prices paid, including interest and taxes, as of Sept. 1, 1949, and estimate of 1940-49 average prices received by farmers, where appropriate.

² Based upon index of prices paid, including interest, taxes, and hired farm wage rates, as of Sept. 1, 1949, and estimate of 1940-49 average prices received by farmers, where appropriate.

³ Transitional parity price of \$2.04 (95 percent of \$2.15) would apply.

⁴ Transitional parity price of \$1.48 (95 percent of \$1.56) would apply.

⁵ Transitional parity price of \$0.496 (95 percent of \$0.522) would apply.

⁶ Transitional parity price of \$1.69 (95 percent of \$1.78) would apply.

⁷ Transitional parity price of \$0.922 (95 percent of \$0.970) would apply.

⁸ Transitional parity price of \$1.42 (95 percent of \$1.50) would apply.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. May I ask the Senator which table he expects to place in the RECORD? There were two tables issued by the Department of Agriculture, one showing the best deal possible for the farmers under all these plans, including the 1948 act and the Anderson plan, and the other table showing the worst possible deal the farmers could receive under the Anderson bill and the Agricultural Act of 1948. I am wondering which table the Senator is placing in the RECORD.

Mr. YOUNG. I am pleased to inform the Senator from Vermont that I am inserting in the RECORD the table which Secretary Brannan presented to the Committee on Agriculture and Forestry, showing 90-percent support under all four programs; also a table which I have recently received from the Department of Agriculture showing 100-percent parity under all four proposals.

Mr. AIKEN. I thank the Senator for the information. Having seen so many different tables come from the Department of Agriculture, I wanted to make sure which one was going in the RECORD.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a very brief statement?

Mr. YOUNG. I yield.

Mr. GILLETTE. In the early part of the Senator's remarks he alluded to some work which was being done by a subcommittee in connection with the investigation of the cost of the spread, which the general public to a large extent was ascribing to the farmers because of this subsidy program. The Senator also alluded to the fact that the testimony before the committee, of which he is an honored member, showed that one company, a milk company, had earned 10 percent in the previous year, after deduction of salaries running from \$90,000 to \$150,000 for some of its top officers.

Mr. YOUNG. Those were net profits. Mr. GILLETTE. I wonder if the Senator would allow me at this point to refer to some supplementary figures which were received by me this morning for the purpose of inclusion in the record of our hearings.

Mr. YOUNG. I should appreciate it very much if the able Senator from Iowa would insert them in the RECORD.

Mr. GILLETTE. This material came from the Beatrice Food Co., of Chicago. In a report which was made to the subcommittee that company reported an increase, after all the expenses to which reference has been made, from \$3,838,000 plus, according to its financial statement for 1945, to \$5,902,000 for 1949, or almost 60 percent. As the Senator will recall, the subcommittee asked the witnesses to detail the increase, and this report came to me in the mail this morning for inclusion in the hearings.

Office salaries were increased between 1945 and 1949 from \$2,281,000 plus to \$3,445,000-plus, or an increase of more than \$1,000,000. In addition, salaries of officers and directors were increased from \$264,780 to \$365,178, or an increase of more than a third in 4 years in office

salaries, and also salaries of the directors. This, of course, explains why there was a 60-percent increase in the administrative expenses of this one company, which is reflected in the cost to the consumer, and which, in the consumer's mind, is largely attributable to the so-called excessive subsidies to the farmer.

I thank the Senator for giving me this opportunity.

Mr. YOUNG. I appreciate having the able Senator from Iowa make these remarks, because I believe they are very appropriate in connection with the legislation which we are considering. It is of utmost concern, not only to consumers, but to the farmers as well, to note the great spread between what the producer receives and what the consumer has to pay. I am happy that the distinguished Senator from Iowa has decided to continue the hearings next January, when we hope to do a very thorough job of going into the matter of exorbitant profits on foods, to the misery of the poor people and the disadvantage of the farmer.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. The company which the able Senator from Iowa mentioned is a fluid milk marketing company, is it not?

Mr. GILLETTE. If the Senator from North Dakota will yield to me, I will say that it is not solely that. Its activities cover fluid milk marketing, and also the marketing of cheese, butter, and soybean processed articles, as well as various other commodities.

Mr. THYE. But the major operations are in fluid milk marketing. The surpluses coming from the producers during the flush period of the year are diverted into manufactured products. The cheese and soy-bean products are a sort of side line. I think the major operation is in fluid milk.

The reason I make mention of this is so that we may not becloud the fact that the dairy producer who is dependent upon the manufacture and sale of his product in the form of butter and powdered milk receives no such profits as are indicated in the great fluid milk centers. The butter producer is absolutely confronted with a depressed market. So is the powdered milk producer. However, the producer who is fortunate enough to be in an area near a large metropolitan center such as Washington or Boston, or other such centers up and down the seaboard or in the Midwest, is the one who has been receiving what might be called inflated dairy prices. Those prices are not received by the producer who is dependent upon the sale of butter as the outlet for his milk production.

So I wish to be certain that it is made plain in the RECORD that although the enormously high prices paid in metropolitan centers are reflected in the prices paid to what may be called milk distributors or companies engaged in milk distribution, that does not necessarily mean that the producers of milk for butter sales and powdered milk sales are the ones who are enjoying such high prices. In the last year the Midwest has been

suffering depressed powdered milk prices and depressed butter prices; but the price of the quart of milk which is offered in the big metropolitan fluid milk market looks exceptionally high to the man who is selling his dairy products to the manufacturer of butter and powdered milk.

Mr. GILLETTE. Mr. President, will the Senator from North Dakota permit me to impose a little further on his time, so that I may make a further comment?

Mr. YOUNG. Certainly.

Mr. GILLETTE. Of course, there is some merit in what the distinguished Senator from Minnesota has said. My only purpose in alluding to the figures which were submitted to me this morning was to show their interpretation of the increased costs of administration, which the witnesses had testified to before the committee, and about which we asked them to detail. In fairness to the Beatrice Foods Co. I may say to the Senate that, as the Senator well knows, the figures which have been presented were the ones which came this morning; but at our previous hearing we heard the representatives of the National Dairy Co., of the Borden Co. and of the Beatrice Co., who testified regarding a somewhat similar situation. I did not want any deduction drawn that this company alone is the one that is responsible. All the companies whose representatives have appeared before us have shown a similar situation, and their situation is one which in my opinion does not at all justify the current belief in regard to margin of profit which the public ascribes to the subsidy paid to the farmers.

Mr. YOUNG. I thank the Senator.

Mr. President, I yield the floor.

Specified commodities: Data on parity payments under sec. 303, title III, of the Agricultural Adjustment Act of 1938

1938 CROPS

Item	Wheat, per bushel	Corn, per bushel	Cotton, per pound	Rice, per hundred-weight	Tobacco				Total, all items
					Flue-cured (11-14), per pound	Fire-cured (21-24, 35-37)	Cigar (41), per pound	Other cigar (42-44, 46, 51-55), per pound	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Season average price received by farmers.....	\$0.534	¹ \$0.473	\$0.086	\$1.340	\$0.224	\$0.085	\$0.150	\$0.112	-----
(2) Payments other than parity.....	.120	.100	.024	.125	.010	.005	.010	.010	-----
(3) Sum of (1) and (2).....	.654	.573	.110	1.465	.234	.090	.160	.122	-----
(4) Parity price.....	1.122	1.722	.157	2.289	.182	.098	.106	.141	-----
(5) Difference between parity price and price received plus "other payments" (4) minus (3)....	.468	.149	.047	.824	-----	.608	-----	.019	-----
(6) Parity payment.....	.110	.060	.016	.120	-----	-----	-----	-----	-----
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6).....	.358	.089	.031	.704	-----	-----	-----	-----	-----
(8) Total sum of parity payments.....	53,614,000	60,131,000	96,195,000	1,802,000	-----	-----	-----	-----	\$211,742,000
(9) Sum which would have been required to equal the difference between parity price and price received plus "other payments":	-----	-----	-----	-----	-----	-----	-----	-----	-----
(a) Additional amount.....	199,380,940	85,787,324	159,834,032	9,857,335	-----	-----	-----	-----	454,859,631
(b) Total (8) plus (9a).....	252,994,940	145,918,324	256,029,032	11,659,335	-----	-----	-----	-----	666,601,631
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by 9 (a).....	21.2	41.2	37.6	15.5	-----	-----	-----	-----	31.8

¹ Price in North Central States.

² Based on 1938 crop but paid in 1939 fiscal or program year.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,

Washington, August 31, 1949.

HON. MILTON R. YOUNG,
United States Senate.

DEAR SENATOR YOUNG: This is in further reply to your letter of August 3, requesting detailed information on parity payments made under section 303, title III, of the Agricultural Adjustment Act of 1938. I am enclosing the series of tables which you requested. The tables have been prepared covering the programs which applied to the 1938-42 crops of the basic commodities.

You will note that item 9 in your letter has been subdivided in the tables to indicate the additional amount that would have been necessary to bring the returns to co-operators up to the full parity prices as well as the total amount that would have been necessary to cover the full difference between the price received plus other payments and the parity prices.

These tables were prepared from the dockets which authorized the parity payment programs and utilize the information on prices received, parity prices, payments, etc. that was available at the time the dockets were prepared. There have been revisions in some of the data but for your request it seemed desirable to use the same data that were actually used in the original determination.

The total amounts indicated are mainly the amounts that would have been necessary to bring returns to co-operators up to full parity prices. For the 1941 and subsequent fiscal years the appropriation act provided that parity payments could be made to producers who exceeded their allotments but that the rate of payment should be reduced by 10 percent for each 1 percent or fraction thereof by which the acreage planted to the commodity is in excess of such allotment. Payments to noncooperators were undoubtedly relatively small, however. The amounts necessary to bring returns on the total production of all producers up to full parity would have been somewhat larger.

For your information, the appropriation acts contained special directions regarding these payments. The appropriation acts for the 1939 and 1940 fiscal years provided that the rate of payment should not exceed the amount by which the average price received was less than the 75 percent of the parity price. Neither for these 2 years nor for fiscal year 1941 did the acts provide for taking payments under the Soil Conservation and Domestic Allotment Acts into account in the determination of the rate of parity payments.

For fiscal 1942 the parity payment could not exceed the amount by which the sum of the basic-loan rate or the average farm price, whichever was higher, plus the agricultural-conservation program payment, was less than the parity price.

For fiscal 1943, the unobligated balances from the 1941 and 1942 fiscal years were re-appropriated. In addition, the Secretary was authorized to make such additional commitments as were necessary to provide for full parity payments for the crop year 1942. The 1944 fiscal year appropriation act contained an item of \$170,281,000 to carry out the commitment made under the 1943 Act.

The parity payment budget requests and the actual appropriations for the fiscal years were as follows:

Parity payments—budget estimates and amounts appropriated

	Budget estimates	Appropriation
Fiscal year—		
1939.....	-----	\$212,000,000
1940.....	-----	225,000,000
1941.....	-----	212,000,000
1942.....	\$49,866,160	212,000,000
1943.....	-----	(¹)
1944.....	193,623,000	170,281,000

¹ Unobligated balance estimated at \$5,652,501 reappropriated for 1943.

Very truly yours,

CHARLES F. BRANNAN,
Secretary.

Specified commodities: Data on parity payments under sec. 303, title III, of the Agricultural Adjustment Act of 1938—Continued

1939 CROPS

Item	Wheat, per bushel (1)	Corn, per bushel (2)	Cotton, per pound (3)	Rice, per hundred-weight (4)	Tobacco				Total, all items (9)
					Flue-cured (11-14), per pound (5)	Fire-cured (21-24, 35-37) (6)	Cigar (41), per pound (7)	Other cigar (42-44, 46, 51-55), per pound (8)	
(1) Season average price received by farmers.....	\$0.676	² \$0.523	\$0.0890	\$1.718	\$0.151	\$0.0900	\$0.120	\$0.155	
(2) Payments other than parity.....	.170	.090	.0150	.090	.008	.0126	.010	.010	
(3) Sum of (1) and (2).....	.846	.613	.1070	1.808	.159	.1026	.130	.166	
(4) Parity price.....	1.132	² .730	.1587	2.313	.182	.098	.107	.142	
(5) Difference between parity price and price received + "other payments" (4) - (3).....	.286	.117	.0517	.505					
(6) Parity payment.....	.100	.050	.0155	.093					
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received + "other payments" (5) - (6).....	.186	.067	.0362	.412					
(8) Total sum of parity payments ³	55,884,000	43,826,000	95,752,000	1,299,000					\$196,761,000
(9) Total sum which would have been required to equal the difference between parity price and price received + "other payments": (a) Additional amount.....	106,048,272	65,210,327	224,115,105	6,416,252					401,789,956
(b) Total (8) + (9a).....	161,932,272	109,036,327	319,867,105	7,715,252					598,550,956
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received + "other payments" (a) (8) divided by (9a).....	34.5	40.2	29.9	16.8					32.9

¹ Commercial.³ Based on 1939 crop but paid in 1940 fiscal or program year.

1940 CROPS

(1) Season average price received by farmers.....	\$0.667	² \$0.610	\$0.0938	\$1.7386	\$0.161	\$0.0930	\$0.1250	\$0.132	
(2) Payments other than parity.....	.681	.090	.0144	.0585	.009	.0108	.0054	.009	
(3) Sum of (1) and (2).....	.748	.700	.1082	1.7965	.173	.1038	.1304	.141	
(4) Parity price.....	1.132	² .730	.1587	2.313	.185	.1050	.1090	.142	
(5) Difference between parity price and price received plus "other payments" (4) minus (3).....	.384	.030	.0505	.5165	.015	.0012		.001	
(6) Parity payment.....	.100	.050	.0138	.2000	.006	.0021		.007	
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6).....	.284	-.020	.0367	.3165	.009	-.0008		-.006	
(8) Total sum of parity payments ⁴	58,226,000	43,915,000	87,706,000	2,481,000	1,832,000	595,400		2,152,609	\$196,908,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount.....	162,433,800	-18,896,926	234,478,153	3,948,340	5,703,736	-47,981		-484,785	387,134,337
(b) Total (8) plus (9a).....	220,659,800	25,018,074	322,184,153	6,429,340	7,535,736	547,419		1,667,815	584,042,337
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by (9a).....	26.4	175.5	27.2	38.6	24.3	108.8		129.1	33.7

² Commercial.⁴ Based on 1940 crops but paid in 1941 fiscal or program year.

1941 CROPS

(1) Season average price received by farmers.....	⁶ \$0.980	² \$0.753	\$0.1680	\$2.980	\$0.281	\$0.140	\$0.132	⁷ \$0.155	
(2) Payments other than parity.....	.099	.055	.0120	.024	.005	.013	.004	.006	
(3) Sum of (1) and (2).....	1.079	.808	.1800	3.004	.286	.153	.136	⁷ .161	
(4) Parity price.....	1.221	.925	.1756	2.591	.250	.125	.130	⁷ .168	
(5) Difference between parity price and price received plus "other payments" (4) - (3).....	.142	.117	-.0044	-1.413	-.036	-.028	-.006	⁷ .007	
(6) Parity payments.....	.135	.111						⁷ .007	
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6).....	.007	.006						⁷ .000	
(8) Total sum of parity payments ⁸	79,741,000	121,385,000						⁷ 593,000	\$201,719,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount.....	4,091,318	6,361,819							10,453,137
(b) Total (8) plus (9a).....	83,832,318	127,746,819						⁷ 593,000	212,172,317
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by (9a).....	95.1	95.0							95.1

² Commercial,
⁸ Loan rate.⁶ Based on 1941 crops but paid in 1942 fiscal or program year.⁷ Excluding type 46.

Specified commodities: Data on parity payments under sec. 303, title III, of the Agricultural Adjustment Act of 1938—Continued

1942 CROPS

Item	Wheat, per bushel	Corn, per bushel	Cotton, per pound	Rice, per hundred-weight	Tobacco				Total, all items
					Flue-cured (11-14), per pound	Fire-cured (21-24, 35-37)	Cigar (41), per pound	Other cigar (42-44, 46, 51-55), per pound	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
(1) Season average price received by farmers.....	\$1.140	\$0.857	\$0.1888	\$3.578	\$0.384	\$.171	\$.137	\$0.187	
(2) Payments other than parity.....	.099	.055	.0120	.024	.005	.013	.004	.006	
(3) Sum of (1) and (2).....	1.239	.912	.2008	3.602	.389	.184	.141	.193	
(4) Parity price.....	1.376	.984	.1916	2.838	.283	.137	.143	.203	
(5) Difference between parity price and price received plus "other payments" (4) minus (3).....	.137	.072					.002	.010	
(6) Parity payments.....	.137	.072					.002	.010	
(7) Difference between parity payments and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6).....									
(8) Total sum of parity payments ¹⁰	80,774,000	78,284,000				889,000			\$159,947,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount.....	0	0				0			0
(b) Total (8) plus 9 (a).....	80,774,000	78,284,000				889,000			159,947,000
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (8) divided by (9a).....	100.00	100.00				100.60			100.00

⁵ Loan rate.⁷ Excluding type 46.⁸ North Central States.⁹ Average price through Mar. 15, 1943.¹⁰ Based on 1942 crops but paid in 1943 fiscal or program year

On request of Mr. YOUNG, and by unanimous consent, the following remarks made during the course of his speech were ordered to be transposed to this point in the RECORD:

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THOMAS of Oklahoma. Due to the fact that the subcommittee of the Appropriations Committee handling the military appropriations bill is scheduled to meet at 1:30 o'clock today, and inasmuch as that bill carries about \$15,000,000,000, and it is important that the bill be finally acted upon, I now ask that I and the members of that subcommittee may be excused from attendance on the session of the Senate from 1:30 o'clock this afternoon and for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as I will not be present in the Senate after 1:30, I desire to present a small amendment for the information of the Senate. The amendment is very simple. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. That in order to prevent the waste of food commodities acquired through price-support operations and in danger of loss through deterioration or spoilage and to assist needy persons, the Secretary of Agriculture and the Commodity Credit Corporation are directed to make such commodities available at no cost to the Bureau of Indian Affairs, to school-lunch programs when approved by the Secretary, and to State and

local welfare organizations for the assistance of needy Indians and other needy persons.

Mr. THOMAS of Oklahoma. Mr. President, I have a report from the Department of Agriculture showing the quantities of food products which have been acquired under the support-control program. I ask unanimous consent that the report and the letter accompanying it be printed as a part of my remarks at this point in the RECORD.

There being no objection, the report and letter were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 5, 1949.

HON. ELMER THOMAS,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR THOMAS: This refers to your letter of July 26, 1949, and subsequent telephone advice, in which you requested certain data on stocks of commodities held by the Commodity Credit Corporation for use by the Committee on Agriculture and Forestry.

The following tabulations are enclosed:

1. "Price support inventories," in which are listed the inventories as recorded on the books of the Corporation as of May 31, 1949, together with the quantities and cost values of the commodities which it was estimated were available for sale as of July 29, 1949.

2. "Price support loans outstanding as of May 31, 1949," which indicates the position of the Corporation in its loan programs on that date and includes loans held by lending agencies under guaranty to purchase by the Corporation.

Every effort is made to dispose of commodities acquired in price-support operations on a basis which will not affect current market prices to the detriment of producers. Of the commodities listed, the following have been declared surplus agricultural commodities under section 112 (e) of the Foreign Assistance Act of 1948: Prunes, raisins, dried eggs, flax fiber, flaxseed, linseed oil, potato starch, hay and pasture seed (Alyce clover), Turpentine, and wool.

Major problems concerning the disposition of commodities held are being encountered in flaxseed and linseed oil, and in dried eggs. The following tabulation indicates our operations under the 1948 price-support program on flaxseed and linseed oil:

	Flaxseed	Linseed Oil
	Thousand bushels	Thousand pounds
Direct acquisitions.....	25,000	313,800
Acquisitions through conversion.....		77,829
Total acquisitions.....	25,000	391,629
Sales:		
For export.....	4,099	8,940
Domestic commercial.....	715	2,638
For conversion to oil.....	3,991	
Total sales.....	8,805	11,578
Inventory held July 29, 1949.....	17,195	380,051

We have been converting flaxseed to linseed oil to release elevator space for new crop grains and oilseeds and because linseed oil can be stored longer and more cheaply than flaxseed.

Both flaxseed and linseed oil were made available for sale to domestic users at prices which, through June 30, 1949, reflected cost to the corporation of \$6 per bushel for flaxseed and 28 cents per pound for linseed oil, Minneapolis basis. On June 30, 1949, this Department announced that Commodity Credit Corporation would sell flaxseed at \$5.25 and linseed oil at 23½ cents, Minneapolis basis. Even at these reduced prices, it is obvious that the only sales which will be made will involve minimum quantities to meet the immediate needs of purchasers until the new flax crop begins to move at its lower price level.

As previously indicated, both flaxseed and linseed oil have been declared surplus under section 112 (e) and the ECA, Army, and other agencies have been and are being urged to purchase these commodities.

With regard to dried eggs, our operations on the 1948 and 1949 calendar year programs have been as follows:

	1943 program	1949 program
	Thousand pounds	Thousand pounds
Purchases.....	28,441	55,904
Programed to school lunch and sec. 32.....	9,330	
Sales:		
To commercial exporters at reduced prices.....	1,165	
To Army and ECA (at 50% subsidy).....	1,746	16,160
Total disposition.....	12,241	6,160
Inventory held July 29, 1949.....	16,200	49,744

¹ Sales to British through ECA.

At the moment we have no additional firm outlets for dried eggs but we are attempting vigorously to channel additional quantities through ECA and through section 32 program outlets. In addition, we recently announced that the Corporation would accept offers on its inventory of 1948 dried eggs for sale in export. The lowest prices at which offers are being accepted are 65 cents per pound when packed in export barrels and 67

cents per pound when packed in 14-pound cartons (56-pound master cases) strapped for export.

Meanwhile, efforts are being made to exchange any of the surplus commodities in

the inventory of the Corporation for strategic materials outside the country.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Price-support loans outstanding May 31, 1949

Commodity and crop	Unit of measure	Quantity	Amount
1948 cotton, upland.....	Bale.....	4,003,752	\$628,057,162.63
1948 cotton, American-Egyptian.....	do.....	550	157,214.91
1948 flaxseed.....	Bushel.....	531,334	2,972,990.88
1948 peanuts.....	Pound.....	97,087,139	10,327,632.19
1948 soybeans.....	Bushel.....	3,494,917	7,764,411.63
1948 potatoes, Irish.....	Hundredweight.....	3,474,556	4,461,238.93
1948 barley.....	Bushel.....	17,076,874	18,658,106.76
1948 beans, dry edible.....	Hundredweight.....	648,984	5,055,001.17
1948 corn.....	Bushel.....	252,551,741	49,693,420.34
1948 grain sorghum.....	Hundredweight.....	2,014,838	4,512,766.21
1948 oats.....	Bushel.....	11,164,002	7,316,234.08
1948 peas, dry edible.....	Hundredweight.....	803	2,810.50
1948 rice.....	do.....	2,208	8,578.00
1948 rye.....	Bushel.....	453,397	564,673.49
1948 wheat.....	do.....	52,442,050	102,506,979.31
1948 tobacco.....	Pound.....	206,830,412	94,685,775.83
1947 tobacco.....	do.....	85,277,391	24,563,591.12
1946 tobacco.....	do.....	66,555,328	19,744,049.15
1949 naval stores:			
Rosin.....	do.....	1,783,650	120,438.43
Turpentine.....	Gallon.....	7,990	3,196.00
Total.....			1,281,176,271.56

¹ Estimated at 341,000,000 bushels at approximately \$472,000,000 as of June 30, 1949.

Price-support inventories ¹

Commodity and crop	Unit of measure	May 31, 1949, per CCC books ¹		July 29, 1949 (estimated available for sale) ¹	
		Quantity	Value (cost)	Quantity	Value (cost)
Cotton:					
Samples (owned).....	Bale.....	1,316	\$138,356.77	1,316	\$138,356.77
Pickings (owned).....	do.....	2	40.55	2	40.55
1947 upland (pooled).....	do.....	12	1,852.98	12	1,852.98
1947 American-Egyptian (pooled).....	do.....	32	7,087.34	32	7,087.34
Flax fiber, 1946.....	Pound.....	307,159	144,757.94	235,728	110,792.16
Butter, 1949.....	do.....	2,427,922	1,452,529.16	10,295,120	6,156,481.76
Milk, dried, 1949.....	do.....	21,652,464	2,467,890.62	127,930,184	16,068,031.11
Fats and oils:					
Flaxseed, 1948.....	Bushel.....	20,081,333	126,027,294.62	² 17,195,000	107,984,600.00
Linseed oil, 1948.....	Pound.....	219,280,135	59,903,920.14	² 280,051,000	102,613,770.00
Peanuts, 1948.....	do.....	202,543,915	24,152,548.88		
Soybeans, 1948.....	Bushel.....	3,811,514	9,073,779.78	1,600,000	3,808,000.00
Dried fruits:					
Prunes, 1948.....	Pound.....	8,431,200	683,501.09	24,747,500	2,432,325.74
Raisins, 1948.....	do.....	2,461,110	195,445.14	11,289,830	1,098,365.79
Potato starch, 1948.....	do.....	10,876,949	517,389.20	10,632,360	617,740.12
Potatoes, Irish, 1948.....	Hundredweight.....	1,815,131	4,214,725.23		
Grains:					
Barley, 1948.....	Bushel.....	11,918,196	15,415,948.39	7,465,947	9,631,071.63
Beans, dry edible, 1948.....	Hundredweight.....	3,265,278	27,473,164.10	5,000,000	42,050,000.00
Corn, 1948.....	Bushel.....	438,583	729,194.69	936,811	1,555,106.26
Grain sorghum, 1948.....	Hundredweight.....	17,868,484	49,509,825.79	15,000,000	41,550,000.00
Oats, 1948.....	Bushel.....	2,286,063	1,579,753.16	1,117,392	771,000.48
Rice, 1948.....	Hundredweight.....	3,582	15,362.18		17,160.00
Rye, 1948.....	Bushel.....	249,050	336,802.57	373,816	504,651.60
Seeds, hay and pasture.....	Pound.....	833,922	162,994.60	833,972	162,624.54
Wheat, 1948.....	Bushel.....	174,638,057	392,201,388.76	182,000,000	409,500,000.00
Wool, various years.....	Pound.....	95,430,659	76,442,098.35	91,500,000	73,293,547.50
Eggs:					
Dried, 1949.....	do.....	37,087,388	47,278,249.36	49,744,510	66,110,453.79
Dried, 1948.....	do.....	19,493,869	24,814,539.86	16,200,217	21,530,088.39
Liquid or frozen, 1947.....	do.....	180	57.78		
Naval stores:					
Rosin, 1948.....	do.....	210,880,028	16,993,878.16	210,880,028	16,996,930.26
Turpentine, 1948.....	Gallon.....	2,811,262	1,440,518.70	2,737,255	1,402,569.46
Turpentine, 1947.....	do.....	686,143	455,535.55	603,018	400,343.65
Tobacco, 1947.....	Pound (dry weight).....	6,385,297	1,744,318.22		
Total.....			885,574,744.66		926,512,991.88

¹ Data as of May 31, 1949, represent price-support inventories and include commodities committed to sale or otherwise obligated while estimates as of July 29, 1949, denote commodities available for sale on that date and, in the case of grains, include some supply inventories.

² Quantities shown reflect sales of 3,900,000 bushels of flaxseed to processors under contract whereby CCC will acquire the resultant linseed oil.

Mr. THOMAS of Oklahoma. Mr. President, this is the situation: At the present time the Government has expended approximately \$4,000,000,000 in support of prices. A large part of this money is in the form of loans, for which the Government has taken a vast amount of food products. For example it has acquired millions of pounds of first class meat from Mexico. This meat is canned, and it is of a character which I think is not in demand in this country. The cans in which the meat is placed are now

rusting. If the meat is not disposed of very shortly, the rust will eat through the cans, the meat will be spoiled, and it will be of no value whatever.

The amendment I have just submitted provides that when the Government has acquired food products, such as canned meat, or dried eggs, or any other product, if there is no sale for it, and it is going to spoil, the Department then is authorized and directed to make any part of or all such products available to the Bureau of Indian Affairs:

I do not have to go into detail to explain the purpose of the suggestion, save to say that there are on reservations many Indians who have no buying power, and no way to achieve any buying power. If the commodities referred to could be made available to the Bureau of Indian Affairs, then the Bureau would know where it could send them and make distribution of them. If that is done the commodities will serve a good purpose. That would be especially true of canned

meat. It would also be true of dried eggs.

The table I have submitted shows that the Government has on hand a very large amount of the various products I have spoken of. For example, it has butter on hand to the value of \$6,000,000. It seems to me it would be a humane act to make distribution of this butter to those in real need. If it is not distributed it will spoil. Distribution can be made to needy persons through the Bureau of Indian Affairs, and through State welfare organizations. It would be better to make such distribution than to let the butter spoil, when it would be necessary to cart it off and destroy it.

The table shows that the Government has on hand \$16,000,000 worth of dried milk, \$2,400,000 worth of dried prunes, and \$1,100,000 worth of dried raisins. It has on hand a vast amount of dried eggs, to the value of \$66,000,000 in one category and \$21,000,000 in another.

Mr. President, my amendment simply provides that if the Department becomes aware that these food products are about to spoil, and will spoil if not disposed of, then the Secretary is not only authorized but is directed to make such products available to the Bureau of Indian Affairs and to State welfare organizations.

I was advised a few minutes ago that there exists a welfare organization in the State of Utah which has \$7,000,000 in its fund. Of course, that organization could spend a portion of that \$7,000,000 in paying the freight or express charges on any of these products for the use of needy persons in the State of Utah.

I have stated the whole purpose of the amendment. It provides a means of getting rid of some of our surplus food which will certainly spoil if not disposed of. It would seem to me to be an act of humanity to adopt such an amendment in order to get rid of as great a part of these commodities as we can before they actually spoil.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FULBRIGHT. I did not understand whether the school-lunch program was included.

Mr. THOMAS of Oklahoma. Yes, it was.

Mr. FULBRIGHT. And the food was also to be made available to State welfare organizations?

Mr. THOMAS of Oklahoma. The Bureau of Indian Affairs first, the school-lunch program second, and State welfare organizations third. Of course, the officials in charge must become convinced that the applications are genuine and legitimate. That will be a matter to be passed upon by the Secretary of Agriculture.

Mr. FULBRIGHT. I believe the local relief agencies have qualified under the category of State programs, to act in such a case.

Mr. THOMAS of Oklahoma. That would be up to the Secretary, and I am sure he would administer the amendment in a humane and proper way if he were given the authority.

Mr. FULBRIGHT. It was the intention that local relief agencies should be

included in the carrying out of such State programs.

Mr. THOMAS of Oklahoma. Yes. Mr. President, the Senator from Mississippi rose a while ago. I yield to him if he wishes me to do so.

Mr. STENNIS. Mr. President, the question I had intended to answer has just now been answered by the Senator from Oklahoma.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MUNDT. Did the Senator's amendment contain the words "at no cost" or "at low cost"?

Mr. THOMAS of Oklahoma. "At no cost" to the Government. In other words the welfare organizations or the Bureau of Indian Affairs have funds which they can perhaps use to pay the freight charges or express charges to the point where the food products are desired to be sent. That will save the Government the expense of shipment, as well as the maintenance charges, and so forth.

Mr. MUNDT. That was the point I wished to have brought out, that the food products were to be distributed "at no cost." It seems to me the Senator should include a statement that that means f. o. b. at the point of storage. Otherwise it might be interpreted as meaning that the Government would have to pay the cost of delivery to point of consumption.

Mr. THOMAS of Oklahoma. The amendment contains the language "at no cost." I would interpret that to mean no cost to the Government. The food products would be made available on approval of application. The application would have to be approved. Those applying for the food products would have to pay the freight charges or express charges.

Mr. MUNDT. I think it should be clearly understood that the food products will be made available f. o. b. at the point of storage, otherwise the cost would be increased.

Mr. THOMAS of Oklahoma. I think the remarks of the Senator from South Dakota as they appear in the Record will constitute an interpretation of that provision.

Mr. President, I submit the amendment, and I shall ask to call it up at the proper time for appropriate action.

Mr. YOUNG. Mr. President, I ask unanimous consent that the proceedings in connection with the submission of the amendment by the Senator from Oklahoma may appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I wonder whether the acting minority leader will agree that we might stop discussing this amendment at half past two, and vote on it then. I discussed that question with the junior Senator from Georgia, and he discussed it with the junior Senator from North Dakota. I am anxious to have the Senate reach the Magnuson amendment soon, because it involves foreign trade. I wonder if we may reach an agreement to come to it within an hour.

Mr. SCHOEPPEL. Mr. President, there are so few Senators in attendance at this time that I would suggest we have a quorum call, and thereafter take up this matter immediately. That would provide an opportunity for a considerable number of Senators who are off the floor at this time to be present and to familiarize themselves with the situation; and then we might be able to reach an agreement.

So, if there is no objection, I suggest the absence of a quorum for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Connor
Calhoun	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Sparkman
Downey	Langer	Stennis
Eastland	Long	Taylor
Eaton	Lucas	Thomas, Okla.
Ferguson	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Fulbright	McFarland	Watkins
George	McKellar	Wiley
Gillette	McMahon	Williams
Graham	Magnuson	Withers
Green	Martin	Young
Gurney	Maybank	
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be excused for the remainder of the day. I have to be absent on official business.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. ANDERSON. Mr. President, I wonder whether the minority leader will agree to have a vote taken on the Young-Russell amendment at, say, the hour of 2:30, the time to be equally divided?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. I have discussed the matter with the Senator from North Dakota and other Senators who are interested. So far as I can ascertain, if the time is equally divided between the Senator from New Mexico and the junior Senator from North Dakota, it is entirely agreeable, unless some Member on this side of the aisle objects. I know of objection, as a result of having made inquiry. But I hope the Senator from New Mexico will not ask for any further agreement on any other vote, at the present time.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered. The vote on the Young-Russell amendment will be taken at 2:30, the time between now and 2:30 to be equally divided between the Senator from New Mexico and the junior Senator from North Dakota.

Mr. LANGER. Mr. President, I wish to offer an amendment.

The PRESIDING OFFICER. The time having been allotted, it will be necessary for the Senator from North Dakota to have time yielded to him for the purpose, and to do it now.

Mr. LANGER. I shall offer the amendment later.

The PRESIDING OFFICER. Very well.

Mr. ANDERSON. Mr. President, the Young-Russell amendment is an extremely important one. I think we should recognize that right here we probably come to an important decision on the farm program. I do not wish to put any undue emphasis on it, but I think I should remind Senators that the amendment pretty well takes the flexibility out of the support prices on the basic crops. As the Senator from Vermont has pointed out, we now have in the law a provision for acreage allotments every year on wheat, corn, and rice, and so, for those crops at least, since the level of support is to be 90 percent when acreage allotments or marketing quotas are in effect, the amendment would effectively establish 90 percent for those three crops, from now on. The law already provides 90 percent for tobacco. Therefore, the only basic crops that would be left without an absolute agreement on 90 percent would be cotton and peanuts.

I merely suggest that the absolutely mandatory support at 90 percent on both wheat and corn in the next year can be extremely embarrassing to the Government. The reports indicate we shall have something like a 131-percent supply of corn, with another very large crop coming along, and if we continue to have absolute rigidity in support prices, I think it will imperil the whole support-price program of the farmer.

There will be offered today, I imagine—if not today, then certainly at some time within the next year—an amendment to strike out the whole potato program. I have been advised that someone is going to offer such an amendment or make such a motion this afternoon, though I am not in a position to guarantee it. But, surely, there has been steadily increasing opposition to the potato program, and one of the reasons why there has been increasing opposition to it is that it was tied in by the Steagall amendment to a flat 90-percent support, which cost the country \$250,000,000 in 1948.

In 1949, because of a change in the legislation—suggested, I am happy to say, by the potato growers themselves—it was possible to reduce the support level to 60 percent. It was possible to diminish greatly the incentive to tremendous overplanting of potatoes, and therefore we were able to effect a reduction which ran down to about \$50,000,000.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Is it not true that the potato acreage was at nearly an all-time low, and we still had great production? Does not that indicate that the cost of producing a bushel of potatoes has gone away down, and that 90 percent was cost-plus by a long way? Did not the potato growers themselves ask for a lower support level? I do not think it will be possible to find a parallel in the

potato situation. The cost of wheat certainly has not gone down. The cost of producing a bushel of wheat certainly has not gone down in proportion to the cost of producing a bushel of potatoes.

Mr. ANDERSON. No; I agree to that. But I say the very reason why the potato program was under such steady and persistent fire was that the rigid 90-percent supports absolutely cost more than the Treasury of the United States could bear. If it is desired to expose the farm program to the steady and persistent fire to which the potato program has been subjected, this is the way to do it.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DONNELL. I have in my hand a letter—I do not know whether it has been mentioned—dated September 27, 1949, from Mr. Roger Fleming, director of the Washington office of the American Farm Bureau Federation, which contains this statement:

It is our firm belief that an amendment requiring that the basic commodities be supported at 90 percent of parity whenever acreage allotments or marketing quotas are in effect would seriously impair the workability of the programs contained in this bill.

May I ask the Senator whether he concurs in that view, and if so, why?

Mr. ANDERSON. I concur in that view. Let me say to the distinguished Senator from Missouri that in the same letter there is a reference to the favored amendment, which the Senator from Vermont is shortly to offer with reference to another section. I do not want to tie myself to support it, but I do agree with the American Farm Bureau Federation.

We have been talking about flexible price supports. Both the Republican Party and the Democratic Party met in convention and endorsed flexible price supports. I wonder what the pledge means, if we then come here and vote for absolutely rigid supports.

I agree with the logic of the statement read. What the American Farm Bureau Federation has said is, they know that high, rigid supports are bound to be the rocks on which the whole farm program will be scuttled, if it shall be scuttled in our generation.

Mr. DONNELL. Mr. President, that is precisely the question. I should like to get a further answer, if the Senator will give it. Why would the rigid provision of 90 percent of parity seriously impair the workability of the programs contained in this bill?

Mr. ANDERSON. To begin with, we have coming along a crop of 3,500,000,000 bushels of corn. If the support price is set at 90 percent, and the Department of Agriculture establishes acreage allotments, because the price is so high and so attractive, all the factors we have been talking about in connection with the potato program come into play.

It is possible to spend additional money for special preparation and fertilization of the soil when there is a very high support price, but we steadily find ourselves more and more involved in larger and larger crops. I have consistently contended that I do not believe rigid supports are desirable. I recognize

that occasionally we must provide an extension of the law, as we did with reference to the Hope section of the law last year, finding it necessary temporarily to provide rigid supports. We did that during the period of the Steagall legislation, but all the time in which that legislation was on the books we kept holding on for \$500,000,000. There are Senators present who would have been glad to see that taken away from the Department of Agriculture, and perhaps it should have been taken away; but the Department of Agriculture hung on to the \$500,000,000 and said, "We are going to need it some day. When the Government removes price supports, we shall need it to cushion our descent down the ladder slowly."

I say to the Senate that while I am willing to concede that the two authors of this amendment are as fine friends of agriculture as can be found in this body, I hope, regardless of the fine personalities of the Senators who have offered the amendment, that the Senate will vote against it. I have long recognized that the Senator from North Dakota truly represents his people and is truly their friend. I have made that statement openly in gatherings in his State. I have recognized the distinguished work which the junior Senator from Georgia does on agricultural appropriation bills. The farmers of the Nation will never cease to thank him for the fine things he has done. But regardless of those contributions—and I would not minimize them—there is this conflict of opinion as to whether we should have high, rigid supports or whether there should be flexibility in our agricultural system. I think we shall strike at the basis of the whole program if we adopt this amendment and say that there shall be 90-percent support, for many years to come, for all basic agricultural commodities. I think we have gone a long way in this bill in trying to meet divergent points of view. We have gone further than many Members thought we should go, but we have realized that it was important to pass a bill which would carry along with it a permanent status. I think we must be careful not to pass a bill containing provisions which will start a request for its immediate repeal when the people find that the supports are too high.

There was a tremendous wheat crop 2 years ago, and if it is announced that again 90-percent price support shall be provided, we shall find some persons rushing into the wheat-growing business and a great deal of embarrassment will be caused. What we need at this time is less wheat, not more wheat. We need more of the type of farming which will tend to replenish the soil. Farmers in areas in which wheat grows well should be given an opportunity to grow wheat.

We should not, in my opinion, put into this bill rigid price supports. I cannot conceive of the possibility that the Congress would try to undo what we have been working so hard for several years to accomplish, by writing into the bill the rigidity to which I have referred. Remember how long we have been trying to get to a new farm program. Remember that we have been holding hearings since

1946 on this program. Remember that members of the committees of the Congress have been going all over the country asking farmers what they wanted. I am frank to admit that in many areas they have given the answer, "We should like to have 90 percent." I admit they would like to have it. Many farmers would like to have it forever. But I invite attention to the fact that the American Farm Bureau Federation, after studying the subject carefully, has come to the conclusion that it is dangerous to have 90-percent support, and they have specifically asked that Congress enact flexible support price legislation. I also invite attention to the fact that the Grange has virtually the same viewpoint on this question. The National Council of Farmer Cooperatives, the American Institute on Cooperation, and almost every agricultural group that can be named have said they did not want a rigid program. The only exception is the Farmers Union, which has asked for 100-percent price supports, a still higher figure.

I suggest to the Senate that we should be very careful on this vote. I do not know what will happen to the program involved in this bill if this amendment should be adopted. I cannot imagine any reason why the President of the United States should sign such a bill, because it strikes at the very thing which the administration has been crying out against. It has taken a long while to provide a substantial program. It would take a long time to regain the ground we would lose.

I want the Senate to remember that the subcommittee which has been working on the bill has tried its best to go a long way toward meeting the points of view of various groups and individuals. We have not tried to hold back discussion of any sort of agricultural program, but we have been unanimous on the question of opposing high, rigid price supports. Therefore, I think it would be unwise for the Senate to adopt this amendment, which provides that there shall be 90 percent of parity with reference to every kind of acreage allotments and marketing quotas. That suggests that from now until the law is repealed, if this bill should be enacted, we shall have rigid 90-percent support. I think the best and easiest way to scuttle the program is to adopt this particular type of amendment.

Mr. AIKEN. Mr. President, if no other Senator desires to speak in favor of the amendment, I should like to say a few words at this time.

This amendment, as I pointed out a short time ago, would provide permanent, rigid, 90-percent support for corn, wheat, and rice, and some of the time for cotton and peanuts. Tobacco, as has been pointed out by the Senator from New Mexico, already enjoys a 90-percent support level. There is some reason for a 90-percent support level for tobacco and cotton. The reason is that the market for those two commodities is controlled to a considerable extent by foreign nations. Therefore, there is some reason

for putting cotton and tobacco in a class by themselves. But, Mr. President, although I hope, indeed, no one hopes so more than I do, that the farmers can get a 100-percent income for their crops, I want them to get it as freemen who operate their farms in their own way, think for themselves, and have the right to act for themselves.

We have been working for some time, Mr. President, to convert our agriculture more into an animal industry. We have been doing that not only because it would mean a much higher dietary level for all the people of the country, but it would also provide a much wider market for growers of grain. If we guarantee permanent 90 percent of parity as support for corn, wheat, and rice, it means that there will be no incentive in the Corn Belt and the Wheat Belt to market more of that grain in the form of animal products. It will defeat the very thing for which we have been working for many years. It will encourage a soil-mining agriculture rather than a soil-building agriculture, which an animal industry is. It will be an incentive for the grain grower to raise grain for the Government rather than to raise meat, poultry products, and dairy products for the 150,000,000 consumers in the United States who would use a great deal more if those commodities were available.

We must remember, too, as has been pointed out by the Senator from New Mexico that we are inviting the wrath of the consuming public if we try to get too much in the name of the farmer. We felt last year that we went as far as we could go in getting support for the farmer and still have the program approved by the general public. Seventy-two to 90 percent of parity is not so very different from the 75 to 90 percent of parity provided for by the bill of the Senator from New Mexico. But let us remember that when we legislate for agriculture we are legislating for less than 20 percent of the population of the country. Speaking as a farmer, we have at the present time political power far out of proportion to our numbers. But we can reach so far and reach for so much that we will lose that which we already have. This fear is voiced by the Secretary of Agriculture.

I wish again to read, as I read yesterday, the reply which he made in his interview which is printed in the United States News of April 29. When asked the question, "Isn't the Congress likely to continue the 90 percent of parity without doing anything else?" Secretary Brannan answered, "If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far."

"Another year of big production, with the present program continued" [the 90-percent program] "would show so much money involved in farm programs that I don't think any taxpayer could stand it."

Secretary Brannan makes it perfectly clear that a 90-percent guaranty—a

fixed, rigid guaranty—would mean complete controls over farming operations.

Mr. President, I think this amendment is not good for the farmers; it would not be good for the Government; it would not be good for consumers if it were adopted; and I believe, as the Senator from New Mexico believes, that if we adopt any rigid 90-percent legislation, in view of what the Secretary of Agriculture has said, we could not expect it to become law. I certainly hope it would not become law because it would be one of the worst things that had happened to American agriculture in a long period of time.

For more than 10 years now all our major agricultural organizations and the Department of Agriculture have been working for a flexible floor for price supports and a revised parity formula. Although the leaders of the Farmers' Union have since come out against the flexible support program, yet I think I should say here that no stronger testimony was given in favor of flexible support last year before the Committee on Agriculture and Forestry than was given by the president of the Farmers' Union himself. I am sorry they saw fit to change their position a few months ago.

Mr. President, I hope the amendment will be defeated.

The PRESIDING OFFICER. The proponents of the amendment have 23 minutes remaining. Does any Senator wish to speak for the proponents?

Mr. YOUNG. Have the opponents any more speakers?

The PRESIDING OFFICER. They have used all except about 3 minutes of their time. The opponents have 3 minutes.

Mr. YOUNG. I yield the remainder of my time to the distinguished junior Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-three minutes for the proponents.

Mr. RUSSELL. Under the usual practice, the proponents of the amendment are entitled to the closing of the debate.

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes left.

Mr. RUSSELL. I shall not quibble over that, and I do not think I shall use the 23 minutes.

Mr. President, the pending amendment is based on the philosophy of existing farm legislation. In my opinion, if the amendment shall be rejected it will be considered by the farmers as a step backward in the efforts which have been made by the Congress to bring the farmers into something like parity with the other citizens of the United States. This is a matter which is very serious to the farmers, and I hope that Senators will not be confused in their minds, in voting on the amendment, by the statements which have been made as to the great losses which have been incurred by the Commodity Credit Corporation in carrying out the farm program, because the fact is that there have been no substantial losses on any of the basic com-

modities, and the amendment applies only to the basic commodities.

Mr. President, the flexible loan idea has its place in the farm program, but it should apply to perishables and not to basic commodities, because if we adopt the provisions of the pending bill, and reject the pending amendment, it will mean that in the future the farmers will be allowed only 75 percent of a loan instead of 90 percent which they are obtaining at the present time, so far as loans on these basic commodities are concerned. I do not have the latest figures, but the last time the matter was presented to the Senate Committee on Agriculture and Forestry for appropriations, it was shown that instead of losing money on the basic commodities, the Government had a profit, as I recall, of somewhere in the neighborhood of \$200,000,000, which had accrued to the Treasury by virtue of the basic commodities.

Mr. President, I would not discuss the political implications of the pending measure, but in my judgment the farmers will be aggrieved, and justly aggrieved, if the Senate rejects the amendment. Bear in mind that this bill reduces the parity figures by way of change in the formula. It reduces them from 10 to about 14 or 15 percent, as I recall. I do not have the exact figures, but it reduces the parity figures as to basic commodities.

The pending amendment will apply only in the case of a reduction in acreage. In addition to the reduction of the parity figure, there will be a reduction in acreage, and then superimposed upon those two reductions it is proposed to reduce the loans to as low as 75 percent.

I cannot believe that the farmers will feel that they have been treated fairly by the Congress if the parity figure is reduced, their acreage and production are reduced, and then on top of that the loans are reduced. Senators will hear from their farmer constituents if this amendment shall be defeated and the bill enacted into law.

Mr. President, the bill provides for a 90-percent loan on tobacco, a commodity which is produced in considerable quantities in my State. How are we to explain to the producers of the other basic commodities why tobacco is permitted to have a preferred status under the terms of the bill? It should not be done, and it would be impossible to explain to a wheat farmer, a corn farmer, a rice farmer, or a cotton farmer, why a change is being made. These commodities have traveled together since the inception of the Agricultural Act of 1933, which represented the first step forward the Democratic administration made in its efforts to give the farmer a fair break in the American scheme of things.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield briefly. I have only a few minutes.

Mr. THYE. I have listened to the discussion of the able junior Senator from Georgia, and I have wondered if we could not consider eggs as being an important part of the farmer's income-producing crops, and why we should not likewise consider pork. Why could we

not get beef, pork, poultry, turkeys, and eggs into that same category so that there would be no question about the livestock industry in our farm operations, because those are the best kinds of farm operations that can possibly be conceived of? Those are the farm operations which bring about soil conservation and soil building. Such operations certainly lend themselves to a family size farm operation. I should like to be able to include eggs, turkeys, pork, beef, and similar operations in the mandatory provision. Such operations certainly have as much of a place in the bill as peanuts and rice, from the standpoint of their importance in our whole agricultural economy.

Mr. RUSSELL. Mr. President, the distinguished Senator from Minnesota, as I understand, is a member of the Committee on Agriculture and Forestry. He was last year, and I believe he still is a member of that committee.

Mr. THYE. I still am a member, I will say to the Senator.

Mr. RUSSELL. If the Senator thinks the commodities he has mentioned are entitled to a square deal or to an even break with other commodities, I should like to know why the Senator from Minnesota has not been fighting in the committee and on the floor of the Senate today for those commodities. I am willing to consider whether or not what the Senator has suggested should be done. But I am discussing the commodities with which I am familiar. If the Senator from Minnesota believes that the commodities produced in his State are discriminated against he should be here offering an amendment to remedy that situation. He should not ask me to do so because I am offering one which applies to the basic commodities, and I am undertaking in my poor way to say why I think it should be adopted.

Mr. THYE. I will say to the Senator from Georgia that we produce, in the State of Minnesota, wheat and all the other products I have mentioned, except peanuts and cotton. We produce some tobacco, although tobacco is not a major crop in Minnesota. What I am thinking about is the establishment of a farm program which can stand up through a period of years, through what we may term difficult times from the standpoint of international trade and international demands. I do not want a program which is exceedingly favorable simply for 1 or 2 or 3 years, after which we may find ourselves in a situation where the program is in discredit, making it difficult or impossible to obtain the appropriations which will support the necessary loans or the purchase agreements to carry on the program, with the result that each year the farmers will become a little more difficult to deal with as a producer group by reason of cuts being made year after year, a situation which has faced the farmers in recent years since the war.

In my State there are 9,000 GI farm operators. If we fail them now or 2 or 3 years from now by not giving them adequate protection under a farm program, we will be letting them down when they least can afford to be let down. It is for

that reason that I look upon the entire agricultural question with an eye to its soundness and durability and the public's reaction to it.

Consider the history of the potato program. A year ago we spent some \$225,000,000 in supporting a small geographically spotty crop. Potatoes are grown in Maine, potatoes are grown in the Red River Valley to a limited amount, some are grown in the South to a limited amount, and some are grown in Idaho and in California. Yet, we spent \$225,000,000 trying to support a small geographically spotty crop. Public opinion crystallized against that program and it was ridiculed to the point where the producers themselves walked into conferences and begged to be considered on a basis of 60 percent of parity.

Mr. RUSSELL. Mr. President, my time is limited.

Mr. THYE. Mr. President, I am sorry that I have imposed so long on the time of the able Senator from Georgia.

Mr. RUSSELL. Mr. President, I wish to be courteous to the Senator, but I feel that I should be permitted to conclude my statement, which I will do in a few minutes.

Mr. THYE. Mr. President, I realize that I have imposed upon the time of the able Senator, and I apologize.

Mr. RUSSELL. That is all right.

Mr. THYE. The Senator has been very kind in yielding, and I overstepped.

Mr. RUSSELL. The Senator need not apologize, because the Senator from Georgia had the floor and was delighted to hear the Senator from Minnesota.

Mr. President, I have never been impressed with the argument that if the Senate should undertake to give a small share to the farmer, the rest of the Nation would rise up and strike him down. I am not, by my vote, going to put the farmers of the country on a subsistence level merely because someone raises a bugaboo about what may be done somewhere else. That argument has never been raised in the Senate during the 16 years I have been a Member, except in the case of the farmer. It has never been raised in the case of labor. Bills are brought before Congress to increase the minimum wage to 75 cents an hour, and those who claim to be friends of those who toil do not stand around saying, "If we increase the minimum wage to 75 cents an hour there will be a great reaction, there will be a wave of public sentiment which will sweep the Nation, and it will militate against labor."

When we are considering bills to provide for other lines of industry we do not hear Senators or Representatives saying, "If you give this subsidy to those who carry the mails, or to those who publish periodicals, you are going to create so much resentment that Congress will be forced to pass such drastic laws as to put them completely out of business."

It is only when a plea is made that the farmer not be compelled to take three reductions at one time in his income that we hear it said, "If you give the farmer this little measure of assistance"—which means that we would give him only a little look-in in the matter of bettering his means of livelihood,

merely affording him a small part of the blessings of our modern-day civilization and our greatly expanded income in the United States—"there will be so much resentment over the land that the farmer will be put completely out of business."

I say if the farmer is going to be put out of business, put him out at one fell swoop. Do not starve him to death by degrees by whittling down his loans from 90 to 75 percent and placing him on a subsistence level, as is proposed to be done by the pending bill. Put him out of business all at once instead of putting him down on a subsistence level where he cannot possibly survive.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McFARLAND. Does not the Senator from Georgia believe that the entire population will profit by the prosperity of the farmer? Has not that been the history of our country?

Mr. RUSSELL. Mr. President, every depression we have ever had has started on the farm when farm prices fell so low that the farmers could not buy. The result was that the little merchants had to close their stores; the small country banks started to fail, and eventually the great financial institutions became distressed.

Mr. President, those who do not want to give the farmer justice, even as others are given justice, are short-sighted. It is of the greatest importance for the welfare of all the people of the United States that the farmer should be accorded the full meed of the justice.

The bill, if it be enacted in its present form, will take away from the farmer instead of giving to him. I ask the Senate, What other group has had anything taken away from it during the present session of the Congress? We have passed legislation to improve the lot of practically all the other people of the United States. We have increased the wages of all the Government employees. We have increased the pay of those in the armed forces. Practically every piece of legislation which has been enacted has been to add to the opportunities in life of the American people in some group or class, other than the farmer. Now we are at last considering a farm bill, and the bill, instead of adding to the farmer's opportunities and giving him a chance to share in the national income, to let him, forsooth, have a screen on his window, and maybe, perchance, send his child, as other children are sent, to college, proposes to take such things away from him and to reduce his income.

Mr. President, I made a poor argument in the Senate when the so-called Aiken bill was on its passage late one night in the dying days of the Eightieth Congress. It was proposed then to reduce the parity formula. It was proposed then to bring down the loan value of the farmers' commodities. I stated then and there on the floor that simply because the heads of some few farm organizations had approved that bill, in my opinion, the Senate was making a mistake in passing it. I spoke for a much longer time than I am accustomed to speak. I spoke for several hours. I made the pre-

diction then and there—I did not make it once, but I made it time and again—that when the farmers of the United States realized what was done to them in that bill by way of reducing their parity payments and their loan values, and thereby reducing their income, the farmers would resent it, and they would be heard from.

Mr. AIKEN. Mr. President, will the Senator yield for a question which will take not more than 30 seconds?

Mr. RUSSELL. I am afraid the Senator will divert me, but I yield.

Mr. AIKEN. Did not the Senator from Georgia vote for the bill last year?

Mr. RUSSELL. Of course, but, that in my opinion the fact that my friends on the other side could not produce any better argument for that bill contributed greatly to the change in the vote in the farm States of the West at the last election. Of course I voted for the bill, because we were running out of any bill at all. We had an agreement to carry on for 1 year under the existing law—under a Democratic law, if the Senator wishes to raise that issue. We were carrying it on for another year. I hoped and prayed that we would have the opportunity which we have at this good moment to rectify the wrongs done in that bill, so that we could avoid marching backward in a farm program. Senators listened to a few heads of farm organizations, but when it came to the rank and file of those who went to the polls, they expressed their resentment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. Mr. President, how much time have I?

The VICE PRESIDENT. The Senator has 6 minutes.

Mr. RUSSELL. I yield. I did not realize that I had that much time.

Mr. THYE. I thank the distinguished Senator from Georgia for yielding.

I could not help but catch the remark about a Democratic program. I invite the Senator's attention to the fact that it was an incentive program, a program conceived under the war cloud, for the specific purpose of authorizing the Department of Agriculture to offer incentive payments to producers to increase crops which were in short supply. It was a wartime-conceived measure, and we tried to deal with it in a peacetime manner, so as to assure continuity in the farm program. It was for that reason that the Aiken bill was passed last year. It was not the intention to draw away from what we might call a permanent program. It was an effort to remedy or correct a wartime measure, or an incentive-conceived legislative measure.

Mr. RUSSELL. The Senator makes a fine argument from the standpoint of an economist; but when we get down to the forks of the creek or the end of the road and try to make that argument to a man who has had the loans on his basic commodities cut from 90 to 60 percent at a time when all other incomes are going up, when we are striving to increase the national income by leaps and bounds, he is bound to resent it. We tell him, "We are sorry, but the prices of your crops went up during the wartime,

and we had wartime legislation. We must cut you back, although the income of everyone else is continuing to rise."

I still say that the farmers will not be impressed by any argument which is made to the effect that it is found necessary to sound retreat for the farmers of the Nation at a time when we are sounding the advance for every other group of people who live under the flag.

Mr. President, there is an improper impression abroad in the land that the farmers are all becoming rich, that they are getting entirely too much for their commodities. It so happens that the proportion of the total income going to the farmers of the United States during the war years, as compared with the total national income increased only 1 percent over the average from 1935 to 1939. The 20 percent of our people who live on the farm have now been brought up to the magnificent share of 9.9 percent of the national income. Yet it is said that the farmers are becoming rich.

It is strange to hear all this talk about legislation which will penalize and destroy the farm program and leave the farmer in absolute peasantry and serfdom. Yet there has been very little change in the amount of the total income which is necessary to feed the American people. It increased 2 percent in 1948 over the 1935-39 average.

Who is there to deny that the American people are eating better today than they ever have before. The national consumption of sugar has increased by leaps and bounds. The national consumption of meats doubled or trebled in the war years; and yet the part of the national income which goes to pay for food is only 2 percent above the 1935-39 average.

Mr. President, I respectfully submit that any step now to reduce loans on the basic commodities is absolutely indefensible when we consider that we are trying to push forward with all other groups.

The farmers never had a better friend in the Nation, let alone in the Senate, than the distinguished Senator from North Dakota [Mr. Young], who has outlined the benefits which have gone to other groups. He has pointed out that the farmers represent the only large group excluded from the social-security program. Yet if we reject this amendment, it is proposed to go further and cut his income in three ways. First, it is proposed to reduce his parity from 10 to 14 percent. Second, it is proposed to reduce his acreage, because the amendment does not apply except in the case of controls. Third, it is proposed to reduce the loans to be made on his basic commodities. I insist that such a program cannot possibly be justified.

The VICE PRESIDENT. The time of the Senator from Georgia has expired.

Mr. RUSSELL. I thank the Senator from New Mexico [Mr. Anderson] for his generosity. I hope the Senate will not confuse this proposal with all the tales and propaganda which have gone the rounds about potatoes. That subject was alluded to by the Senator from Minnesota. This amendment does not apply to potatoes or to any perishable

crops. It applies only to basic commodities.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired.

Mr. THYE. I understood that the Senator from Georgia was given the remainder of the time allotted to the proponents of the amendment.

Mr. RUSSELL. I was speaking at the sufferance of a very distinguished Republican. The Senator from North Dakota [Mr. YOUNG] gave me time.

Mr. THYE. I should like to answer—

The VICE PRESIDENT. The time of the Senator from Georgia has expired. The Senator from New Mexico has 3 minutes. All other time has expired. Does the Senator from New Mexico wish to use the 3 minutes?

Mr. ANDERSON. I will, Mr. President, in order to yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I heard the distinguished Senator from Georgia refer to the remarks which I made concerning potatoes. My only reference to potatoes was for the purpose of clarifying the question of whether we could get support prices so high that public opinion would turn against us. That was the only reason I made mention of potatoes. I did not mention potatoes for the purpose either of advocating a lower support price on them or of having potatoes included among the basic commodities. I referred to potatoes specifically in order to use them as an example, to show how we can make mistakes, and in what manner those mistakes may, in a sense, injure the producer group at some future time in connection with farm price-support programs.

Mr. President, I cannot help but go back to the years just prior to World War II. In the year 1939 we had a crop of wheat of 741,000,000 bushels, and 167,700,000 bushels went in under commodity loans. At that particular time the commodity loan on wheat was only 56 cents a bushel. At that time we were getting wheat under commodity loans to such an extent that we were quite concerned as to what we were going to do with it at 56 cents a bushel. In the year 1940, when we had a wheat production in the United States of only 814,600,000 bushels, there were placed under loan 278,400,000 bushels, and the actual value of the loan on that wheat was 58 cents a bushel. I am referring to what were normal prewar years, in calling attention to what the program did and the problems with which we were confronted so far as concerns the huge surpluses which were piling up. I make mention of those facts in connection with the statement that too high a support price might be injurious to the farm program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the figures to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Price-support operation, 1939 and 1940—wheat, corn, and cotton

	Pledged for loans	Total United States production	Support level (per cent of parity)	Support price	Weighted average market price
Wheat:	Million bushels	Million bushels		Cents per bushel	Cents per bushel
1939.....	167.7	741.2	56	1.77	1.74.1
1940.....	278.4	814.6	58	1.77	1.81.9
Corn:					
1939.....	302.0	2,600.0	71	57	2.54.3
1940.....	103.0	2,500.0	76	61	2.66.9
Cotton:	Million bales	Million bales		Cents per pound ³	Cents per pound ³
1939.....	.03	11.5	57	8.95	10.09
1940.....	3.18	12.3	57	9.15	11.00

¹ No. 2 hard wheat at Kansas City.

² No. 3 yellow at Chicago.

³ Middling $1\frac{3}{4}$ inch.

Mr. RUSSELL. Mr. President, much as we might like to do so, it is impossible for the Nation to go back to prewar years in agriculture or in any other activity. We might as well recognize that we are living in a different age than the period before the war. We cannot go back to it, even if it were desirable to do so.

There has been a great deal of talk about potatoes. The potato catastrophe occurred before the war. We were encouraging farmers to plant potatoes. They planted potatoes. Then the war ended and we had too many potatoes, too many acres planted in potatoes. That situation lasted for a couple of years. There was a loss of \$200,000,000.

What did we do with industry? We poured tens of billions of dollars into war plants which are now occupied by bats. No one complains about the war losses in connection with industry. The farmers must bear the brunt of criticism for everything that happened.

The VICE PRESIDENT. All time has expired.

The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Maybank
Anderson	Hendrickson	Miller
Baldwin	Hickenlooper	Millikin
Bricker	Hill	Morse
Bridges	Hoey	Mundt
Butler	Holland	Murray
Byrd	Hunt	Myers
Cain	Ives	O'Connor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Connally	Johnston, S. C.	Robertson
Cordon	Kefauver	Russell
Donnell	Kem	Saltonstall
Douglas	Kerr	Schoeppel
Downey	Kilgore	Smith, Maine
Eastland	Langer	Stennis
Eaton	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarthy	Thomas, Utah
Fulbright	McClellan	Thye
George	McFarland	Watkins
Gillette	McKellar	Wiley
Graham	McMahon	Williams
Green	Magnuson	Withers
Gurney	Martin	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL]. On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from West Virginia [Mr. NEELY] are detained on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

I announce that on this vote the Senator from Alabama [Mr. SPARKMAN] who would vote "yea" if present, is paired on this vote with the Senator from New York [Mr. DULLES], who would vote "nay," if present.

I announce further that on this vote the Senator from West Virginia [Mr. NEELY], who would vote "yea" if present, is paired on this vote with the Senator from Ohio [Mr. TAFT], who would vote "nay" if present.

I also announce that on this vote the Senator from Minnesota [Mr. HUMPHREY], who would vote "yea" if present, is paired on this vote with the Senator from New Jersey [Mr. SMITH], who would vote "nay" if present.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present and voting, the Senator from New Hampshire would vote "nay."

The Senator from Indiana [Mr. JENNERT] is absent by leave of the Senate because of illness in his family.

The Senator from Nevada [Mr. McCARRAN] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting the Senator from Ohio would vote "nay" and the Senator from West Virginia would vote "yea."

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York would vote "nay," and the Senator from Alabama would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate and is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Minnesota would vote "yea."

The result was announced—yeas 37, nays 38, not voting 21, as follows:

YEAS—37

Butler	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Cordon	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Eastland	Langer	Russell
Ecton	Long	Stennis
Fulbright	McCarthy	Taylor
George	McClellan	Thomas, Okla.
Gurney	McFarland	Watkins
Hayden	McKellar	Wiley
Hill	Maybank	Young
Hunt	Miller	
Johnson, Colo.	Mundt	

NAYS—38

Aiken	Gillette	Martin
Anderson	Graham	Millikin
Baldwin	Green	Morse
Bricker	Hendrickson	O'Connor
Bridges	Hickenlooper	Robertson
Byrd	Hoyer	Saltonstall
Cain	Holland	Schoeppel
Capehart	Ives	Smith, Maine
Chapman	Kem	Thomas, Utah
Donnell	Kilgore	Thye
Douglas	Lucas	Williams
Ferguson	McMahon	Withers
Flanders	Magnuson	

NOT VOTING—21

Brewster	Knowland	Smith, N. J.
Chavez	Leahy	Sparkman
Dulles	Lodge	Taft
Ellender	McCarran	Tobey
Frear	Malone	Tydings
Humphrey	Neely	Vandenberg
Jenner	Reed	Wherry

So the amendment offered by Mr. YOUNG, for himself and Mr. RUSSELL, was rejected.

ANNOUNCEMENT AS TO REMAINDER OF PROGRAM FOR THE DAY

Mr. LUCAS. Mr. President, I desire to make this brief announcement with respect to the program this afternoon. We hope to finish the farm bill this afternoon, and following that we shall take up the nomination of Judge Minton. I made this announcement yesterday, and I repeat it at this time in view of the fact that nearly all Senators are present. It is necessary to dispose of the nomination of Judge Minton today, even if we have to hold a night session.

Mr. SALTONSTALL. Mr. President, does that mean that we shall work continuously, or will there be a dinner hour?

Mr. LUCAS. We shall meet that question when we reach it. If we have to have a night session, I presume we shall have an hour for dinner, because I know the Senator from Massachusetts loves his dinner.

Mr. SALTONSTALL. Mr. President, I shall make no comment on that.

NOMINATION OF LELAND OLDS TO BE A MEMBER OF THE FEDERAL POWER COMMISSION

The VICE PRESIDENT. The Chair lays before the Senate a communication from the President of the United States, enclosing a copy of a letter from him to the Senator from Colorado [Mr. JOHNSON], chairman of the Committee on Interstate and Foreign Commerce. The Secretary will read both the communication and the enclosure.

The Chief Clerk read as follows:

THE WHITE HOUSE,

Washington, October 3, 1949.

HON. ALBEN W. BARKLEY,
Vice President of the United States,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I transmit herewith a copy of a letter I have sent to Senator JOHNSON of Colorado concerning the nomination of Leland Olds to be a member of the Federal Power Commission.

I shall be grateful if you will bring this letter to the attention of the Senate.

Very sincerely yours,

HARRY S. TRUMAN.

OCTOBER 3, 1949.

HON. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: Your committee is considering the nomination of Leland Olds to be a member of the Federal Power Commission. Because of the nature of the opposition that has been expressed to his confirmation, I would like to take this means of emphasizing the great importance which attaches to this nomination as a matter of the public interest.

The decision on this nomination will have an important influence on the future effectiveness of the public regulation of the great interstate public utilities in this country.

Mr. Olds is a nationally recognized champion of effective utility regulation; his record shows that he is also a champion of fair regulation. He has already served two full terms as a member of the Federal Power Commission. In this capacity he has served ably and loyally in regulating the basic power and gas industries. The quality of his service is attested by the witnesses who have appeared in his behalf before your committee. These witnesses represent millions of people throughout the Nation including labor, agriculture, municipal officials, State regulatory bodies, educators, and experts in the utility field.

However, Mr. Olds has also made enemies during his service on the Federal Power Commission. The powerful corporations subject to regulation by the Commission have not been pleased with Mr. Olds. They now seek to prevent his confirmation for another term. It will be most unfortunate if they should succeed. We cannot allow great corporations to dominate the commissions which have been created to regulate them.

I am aware of the efforts that have been made to discredit Mr. Olds before your committee. Nothing has been presented in testimony there which raises any doubt in my mind as to his integrity, loyalty, or ability. Much that has been said about him is largely beside the point. The issue before us is not whether we agree with everything Mr. Olds may have ever said or even whether we agree with all of his actions as a member of the Federal Power Commission. The issue is whether his whole record is such as to lead us to believe that he will serve the Nation well as a member of the Federal Power Commission. I believe that he has provided us with the answer to that question beyond any

reasonable doubt during his two terms on the Commission where he has labored diligently in the service of all the people and has earnestly sought to protect the public against the narrow interests of special groups.

I feel sure that you will agree with me that the nomination of Leland Olds should be confirmed. I hope that you will call this letter to the attention of your committee and, in view of the great importance of this matter, I am sending a copy of this letter to the Vice President with the request that he bring it to the attention of the Senate.

Very sincerely yours,

HARRY S. TRUMAN.

Mr. JOHNSON of Colorado. Mr. President, the letter which was just read into the RECORD was received in my office last evening, in fact, after I had left my office. I have written a reply to the President, and have dispatched it by special messenger, and in order to have the RECORD complete I should like to read into the RECORD my reply to the President. It is dated today. The President's letter was dated yesterday. My letter is as follows:

OCTOBER 4, 1949.

HON. HARRY S. TRUMAN,
The President, Washington, D. C.

DEAR MR. PRESIDENT: This will acknowledge with appreciation your letter of yesterday with respect to the nomination of Leland S. Olds to the Federal Power Commission. No nomination referred to the Interstate and Foreign Commerce Committee within my memory has been considered more thoroughly than has the nomination of Mr. Olds.

A subcommittee has just completed hearings in which everyone desiring to testify was given a full opportunity. Thirty-four witnesses were heard, and numerous written statements, letters, and telegrams for and against Mr. Olds were placed in the RECORD. No representative of the corporations which you classify as being under regulation by the Power Commission asked to be heard and none was heard. I was lobbied by numerous persons on behalf of Mr. Olds and by no representatives of any corporation opposed to him. Other members of the committee assure me that is their experience also.

After weighing all the testimony with great care and most painstaking consideration this subcommittee voted 7 to 0 against his confirmation. Before a vote was taken your letter was read and reread and thoroughly discussed. Most members of the committee are reluctant to oppose a Presidential nomination.

The subcommittee was shocked beyond description by the political and economic views expressed by Mr. Olds some years ago. We cannot believe that a person under our democratic capitalistic system holding such views is qualified to act in a quasi-judicial capacity in the regulation of industry.

I feel very certain these radical views have never been brought to your attention and I will therefore include herewith a few excerpts:

"Capitalism in the United States is rapidly passing into the stage which has marked the decay of many earlier social orders, the stage in which a dominant owning class ceases to perform a function in the business of society. * * * The owners exist only, a privileged class of parasites whose idleness and dissipation become an increasing stench in the nostrils of the people." (Leland Olds, Federated Press Labor Letter, January 24, 1929, p. 1.)

"The manipulation of democratic institutions by this wealthy autocracy forces labor to seek other than constitutional processes." (Leland Olds, Federated Press Labor Letter, May 11, 1927, p. 1.)

"Here is certainly a breach which may widen until the sanctity of private property

in the capitalist sense follows the divine right of kings into discard. Inevitable changes in the economic organizations of society are exposing it as just another myth preached in the interest of a small class seeking to retain power and privilege." (Leland Olds, Federated Press Labor Letter, July 28, 1927, p. 1.)

"The opposition of the United Mine Workers to competitive wages can only be made effective through the elimination of competitive private capitalism. The miners have two alternatives: To develop, along with the rest of organized labor, political power sufficient to put over nationalization, or to seek control by the workers themselves under a worker government." (Leland Olds, Federated Press Labor Letter, April 6, 1927.)

"Lenin knew what would take the place of political partyism when he made his bid for power in Russia with the slogan 'All Power to the Soviets.' * * * That change is coming in America. Upon labor's advance preparation will depend its share in the new apportionment of authority." (Leland Olds, Federated Press Labor Letter, November 11, 1925.)

"To millions of workers slaving throughout the world to provide the tribute enacted by the American dollar empire the Fourth of July will loom as anything but the birthday of liberty. They will view it as the day set apart by the world's greatest exploiters to glorify their rise to power." (Leland Olds, Federated Press, the Daily Worker, July 5, 1928.)

Mr. President, all the quotations which I have read were published by the Federated Press and the Daily Worker, and they were written by Leland Olds.

I now continue reading from my letter to the President:

The committee found Mr. Olds glib of tongue and very convincing. Like many crusaders for foreign ideologies, he has an attractive personality and is disarming to a very high degree.

It is very distressing to me personally to oppose anyone whom you have nominated for high office and I have gone along on many occasions, but after hearing all of the testimony and reading the evidence I could not in good conscience vote to report this nomination favorably.

With great respect, I am,
Faithfully yours,

ED. C. JOHNSON.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1834) for the relief of the widow of Robert V. Holland.

The message also announced that the House had passed the bill (S. 1479) to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a joint resolution (H. J. Res. 340) to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the

following enrolled bills, and they were signed by the Vice President:

S. 934. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland;

S. 1407. An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes;

S. 2085. An act to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report; and

H. R. 5328. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 1185. An act to incorporate the National Safety Council;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States;

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. J. Res. 23. Joint resolution designating November 19, 1949, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; and

H. J. Res. 184. Joint resolution authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day; to the Committee on the Judiciary.

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; to the Committee on Armed Services.

H. R. 5951. An act to amend section 3 of the Travel Expense Act of 1949; and

H. J. Res. 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

H. R. 2196. An act to authorize the elimination of lands from the Flathead Indian irrigation project, Montana;

H. R. 5866. An act to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes; and

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada; to the Committee on Interior and Insular Affairs.

H. R. 3419. An act to amend the Merchant Ship Sales Act of 1946; and

H. R. 5305. An act to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Interstate and Foreign Commerce.

H. R. 5674. An act to extend the time for the collection of tolls to amortize the cost,

including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownsville, Nebr.; to the Committee on Public Works.

SICK AND EMERGENCY LEAVE WITH PAY FOR TEACHERS, ETC., OF THE DISTRICT—CONFERENCE REPORT

Mrs. SMITH of Maine. Mr. President, I submit a conference report on House bill 4381, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

MARGARET CHASE SMITH,
ROBERT C. HENDRICKSON,
J. ALLEN FREAR, JR.,

Managers on the Part of the Senate.

T. G. ABERNETHY,
HOWARD W. SMITH,
A. L. MILLER,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. MAGNUSON. Mr. President, I have two amendments on the desk, and although one complements the other, I should like very briefly to discuss them separately. I ask that the clerk state the first amendment.

The VICE PRESIDENT. The Chair understands that the two amendments are to be voted on together?

Mr. MAGNUSON. In view of the discussion yesterday, I ask that the amendments be voted on separately.

The VICE PRESIDENT. Without objection, it is so ordered, and the Secretary will state the first amendment offered by the Senator from Washington.

The LEGISLATIVE CLERK. On page 16, line 16, it is proposed to insert the following:

SEC. 416. Subsection (f) of section 22 of the Agricultural Adjustment Act, as re-enacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.), is hereby amended to read as follows:

"(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other interna-

tional obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation."

Mr. MAGNUSON obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator yield for two brief questions I should like to have him discuss in explaining his amendment?

Mr. MAGNUSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. Is it not true that under the Senator's amendment all the reciprocal trade agreements, the three Geneva treaties, the subsequent Geneva treaties, and the Ancey treaties, when promulgated, will have to be renegotiated, because the three Geneva treaties contain provision for a 6 months' period of notice, the subsequent Geneva treaties contain a 60-day notice period, and, of course, I do not know what the Ancey treaty contains, but I take it that it will be not less than 60 days?

Secondly, under existing law, when damage is threatened to American agriculture as a result of foreign imports, it is the privilege of the Secretary of Agriculture, who is a member of the Interdepartmental Committee, in recommending trade agreements, to make representations to the President of existing threatened injuries, who is then required to refer the question to the Tariff Commission for its recommendations, and then he takes final action. As I understand the Senator's amendment, the Tariff Commission will be completely eliminated. The Secretary of Agriculture can make the recommendations to the President, and he is to be bound by them, although he is the one to put them into effect.

Mr. MAGNUSON. Mr. President, I can answer the two questions very briefly. The first question is whether or not the amendment affects the reciprocal trade agreements now in effect. The answer to that is no. It affects none of the agreements, and its only effect on the over-all basic agreement at Geneva would be to carry out what the representatives at Geneva themselves agreed to and understood the United States would have as an agricultural policy relating to import fees and exports, the so-called escape clause, whereby the President could impose import fees when he thought any agricultural product was being seriously damaged, either through domestic conditions, foreign imports, or through a combination of both.

The second question relates to the second amendment, which is am not pressing too hard. I believe it does circumvent the Tariff Commission in these matters. I believe the Secretary of Agriculture would know more about the matter. He would be able to act more quickly, and foreign importation questions are usually matters in which action should be had quickly. The second amendment applies only to that. I am primarily concerned with the first amendment, which I hope to discuss.

Mr. ROBERTSON. When the distinguished Senator from Washington says that his amendment would not require the renegotiation of these treaties, will he tell us whether he has consulted

with any official of the State Department or the Tariff Commission on that technical issue?

Mr. MAGNUSON. I have consulted on many occasions with the Tariff Commission. I have not asked the State Department directly, but insofar as I know, there is no intention to interfere with the reciprocal trade agreements now in effect, and if the language of the amendment can be so interpreted, I do not know how anyone can come to that conclusion from reading it.

Mr. ROBERTSON. The Chairman of the Tariff Commission told me expressly today, on this very point, after the debate yesterday on the Senator's amendment, that it would require the renegotiation, so far as he knew, of all trade agreements.

Mr. MAGNUSON. I disagree with him, and it is not so intended.

Let me say to the Senate that this is a very simple amendment, although the words may be technical. Under the clear mandate and the intent of Congress in section 22 of the Agricultural Act, as amended in 1948, the President has a right to impose import duties or import fees when he feels that imports of a certain product are coming into this country to a degree which seriously impairs the price-support program of the United States as to any basic product. He can do that now. It does not interfere with any tariff in existence, and it is of a temporary nature, to meet only a specific situation which may occur; for instance, the situation last year involved the importation of Canadian potatoes.

Section 22 of the act, as it now reads, provides:

No part of the relief provided for in section 22 may be enforced in contravention of a trade agreement.

My amendment merely turns that around and says that no trade agreement shall be made in the future which will be in contravention of this express and mandatory policy toward American agriculture. That is all the amendment does.

It does not involve the tariff agreements at all. It merely says that in making tariff agreements in the future, there shall be taken into consideration the expressed intention of section 22, that in cases where the importation of an agricultural product seriously jeopardizes not only our price-support program, but the economy of a basic agricultural product in this country, the President shall have the right then, which he has now, to impose import fees. They are limited, under his present authority, to 50 percent ad valorem. That is the maximum. That was all that is intended by the amendment.

The second amendment, supplementing the first, was offered by me and others supporting it with whom I talked because we have thought that in many cases, where a price-support program looked as if it were going to be jeopardized because of a great volume of imports of agricultural products, the Government would have to act quickly. We have found from sad experience that when the Secretary of Agriculture makes his findings, the case must then go to the

Tariff Commission, which makes findings, then the case is referred back to the President and to the Interdepartmental Committee—which is the Secretary of Agriculture—and it sometimes takes so much time that the price-support program on an agricultural product may be completely handicapped.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. As I understand, the Senator from Washington is offering two amendments, which, for the sake of description, I shall call his long amendment and his short amendment. Am I correct in my understanding that the Senator from Washington is primarily interested in the adoption of his short amendment?

Mr. MAGNUSON. That is correct.

Mr. MORSE. The short amendment reads as follows, does it not?—

No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation.

Mr. MAGNUSON. That is correct.

Mr. MORSE. That is the short amendment?

Mr. MAGNUSON. Yes.

Mr. MORSE. Does the Senator from Washington agree with me that there is not a word or syllable in his short amendment which seeks in any way to limit or interfere with the operation of the present procedures of the Tariff Commission so far as collecting data in respect to reciprocal-trade problems is concerned?

Mr. MAGNUSON. Nothing whatsoever.

Mr. MORSE. Practically the same procedure will be followed in the future, if the amendment shall be agreed to, as that presently followed?

Mr. MAGNUSON. That is true.

Mr. MORSE. Is it true that the Senator from Washington is offering this amendment because he has had many experiences similar to those of the junior Senator from Oregon, that when we find that a reciprocal-trade agreement being negotiated by the State Department, or having been negotiated by the State Department, threatens to or does do injury to various segments of the domestic agricultural industry, and we raise the issue with the State Department, we get the uniform answer that of course the State Department is simply carrying out the terms and provisions and conditions of the Reciprocal Trade Agreements Act?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Has it been the experience of the Senator from Washington that when it comes to seeking to call the attention of officials of the State Department to the deleterious effect upon the agricultural industry of some of these negotiations and agreements, we run into what might be described as a surprising lack of understanding and information

within the State Department as to the economic problems of American farmers?

Mr. MAGNUSON. I would say that that is a fair analysis of their seemingly continuing attitude on these matters.

Mr. MORSE. At least has it not been the experience of the Senator from Washington, similar to the experience of the junior Senator from Oregon, that attempts to induce the State Department to modify their negotiations in respect to reciprocal-trade agreements affecting agricultural products have never borne fruit?

Mr. MAGNUSON. They have never borne fruit.

Mr. MORSE. Is it the experience of the Senator from Washington, as it is that of the Senator from Oregon, that the common reply from the State Department is that, "Of course, if we are going to carry on international trade relations there are bound to be some losses accruing to American industry, including American agriculture"; and that they use that as their stock argument and answer in an attempt to rationalize and justify a reciprocal trade agreement which in effect discriminates unfairly against the American farmer?

Mr. MAGNUSON. The Senator is correct. That is why I think the proposed clarification of section 22 should be made. In the Agricultural Act we have given the President the right to impose import fees of a temporary nature when there is some threatened jeopardy to an American agricultural product. That does not have anything to do with the tariff on the product. The tariff on the product is set. The President is given the right to impose a temporary import fee on a product when our price-support program is being jeopardized. The tariff on the product already exists.

Let us consider, for instance, the tree nut industry. State Department officials say, "We cannot do anything but follow the reciprocal trade agreement." They in effect hide behind it. There was no such intent in the original Agricultural Act. I wish the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Virginia [Mr. ROBERTSON] who asked questions about the effect of the amendment on reciprocal trade agreements, were present. The amendment does not touch trade agreements at all. It merely provides that in the future, when reciprocal trade agreements with other countries are being negotiated or agreements which are in effect are being extended, attention shall be paid to section 22 and to the mandate and intent of Congress, as set forth in section 22, and that if an agricultural product is placed in jeopardy the President shall have the right, as a temporary matter, to impose import fees up to 50 percent ad valorem.

Mr. MORSE. Will the Senator yield and permit me to ask a few questions? I think we could handle the situation in a better manner if I were to ask the Senator questions and he were to answer them, than if I were to deliver the speech on this program which I have in my system. I think we can take care of the situation in a better way by handling it in question and answer form.

It is true, is it not, that the application of the Senator's amendment is in futuro?

Mr. MAGNUSON. That is correct.

Mr. MORSE. It is not the intent and the language does not provide for having any effect on existing negotiated reciprocal trade agreements?

Mr. MAGNUSON. As a matter of fact, if my amendment is adopted, section 22 will read:

No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States—

And so on.

Mr. MORSE. Mr. President, does the Senator from Washington agree with the Senator from Oregon that one of the best effects of his amendment will be to serve a clear notice on the State Department and, incidentally, on the Secretary of Agriculture, too, that it is the intent of the Congress of the United States that those two departments, in connection with the reciprocal trade program in the future, shall take clear note of the intent of the Congress that reciprocal trade agreements shall be negotiated on a basis that does not discriminate to the detriment of American agriculture?

Mr. MAGNUSON. That is correct. It will also serve notice on them that section 22, which has been for a long time carried in the act, but has never been clarified, is clarified by this amendment.

Mr. MORSE. In terms of specific products based upon the experience of the Senator from Washington and the Senator from Oregon in relation to both the State Department and the Department of Agriculture, I should like to ask the Senator from Washington if it has not also been his experience, as it has been mine, that in connection, for example, with the tree nut industry, we have not been able to get to first base with either department, and particularly with the State Department, in the past few years, in trying to bring about the reasonable protection to which the farmers producing tree nuts are entitled, insofar as the negotiating of reciprocal trade agreements in respect to their product is concerned?

Mr. MAGNUSON. That is correct. On yesterday, using that particular illustration, I placed in the RECORD a chronological history of the attempted steps of many of us, including the Senator from Oregon, to get something done on this matter, and it took us almost 15 months. By that time it was too late.

Mr. MORSE. I am familiar with the material which the Senator placed in the RECORD, and I wish to say that he performed a great service by placing it in the RECORD. But, in order to enlarge a little further upon this specific problem—and the amendment should be considered in its relation to specific problems, and if we study it in that way I think we will see its clear merits—in respect to the nut industry, affecting many thousands of acres of nut trees existing in the State of Washington and in the State of Oregon, as well as in other States, is it not true that it requires from 5 to 12 years, depending upon climatic conditions, and the particular type of nut involved, for the

farmer to get his orchard in producing condition?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Is it not true that once the farmer gets his orchard into producing condition, officials in the State Department, sitting at Geneva, apparently without the slightest comprehension of the problems involved in producing an orchard of trees bearing nuts, can in a very short space of time in effect wipe out, destroy, and confiscate the productive value of a farmer's orchard because they negotiate an agreement which affects the market in this country to such an extent that the farmer cannot even afford to pick the products of his trees?

Mr. MAGNUSON. That is correct; but I do not want to limit our experience in that regard to the tree nut. It applies to a great many other products.

Mr. MORSE. I will come to them in a minute.

Mr. MAGNUSON. For instance, we have negotiated a trade agreement, with which I am in favor, with Canada. In many respects it is a good trade agreement. But let us consider Canadian fruit. Congress has said in the basic law that when perishable Canadian fruit is dumped into the United States, the President shall have the right to impose import fees which are not in violation of the trade agreement, the import fees to protect the situation temporarily. But the State Department says, "We cannot touch this. We do not want to touch it, because we have a reciprocal trade agreement." This program is independent of the reciprocal trade agreements, and was so designated by the Congress when we wrote section 22 in the original act.

Mr. MORSE. Mr. President, I have only two or three additional questions to ask the Senator, because his last statement, in broad outline, answers other questions which I had intended to ask him.

Let me put this general question: Is not the illustration which I have used in connection with the tree nut industry equally true of the fruit industry in general, and equally true of all other agricultural products in relation to which reciprocal trade agreements have been negotiated to the detriment of the American farmers concerned?

Mr. MAGNUSON. Yes; and I will say to the Senator from Oregon further that we are now talking about agricultural products not under the price support program. The situation described is doubly applicable to the basic products which are under the price support program, which costs us a great deal of money, and which we are willing to support. However, the real reason for section 22, and the real reason for this attempted clarification, is that unless the President has the right to take such action and do it quickly and in a temporary way, we can waste all the money which we spend for price supports in connection with basic agricultural products.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon on a point of view ex-

pressed by him some months ago in a speech in the Senate on the general question of the effect of reciprocal trade agreements upon agricultural products, namely, that among the farm population of America there is a rising tide of criticism and out-and-out opposition to the reciprocal trade program as a matter of national policy, because more and more farmers are becoming convinced that American agriculture is being discriminated against in connection with the reciprocal trade program?

Mr. MAGNUSON. I could join partially with the Senator from Oregon in that statement. However, I wish to point out that there has been the feeling that agricultural products are in a different category than other products which are the subject of negotiation. That is why, in the original act, we allowed flexibility. We allowed the President to impose import fees when an agricultural product or a price-support program was being damaged or jeopardized.

I know how these things happen in negotiations. We are for reciprocal trade agreements, and want to continue them. This amendment does not affect them at all. It simply provides that in future negotiations the negotiators shall pay attention to the intent of Congress as expressed in section 22. The President would have the right to impose import fees on an agricultural product the imports of which might be jeopardizing the price-support program which we are attempting to enact.

Strangely enough, in the basic Geneva agreement, which is perhaps the blueprint for all other trade agreements, and which was signed by the 23 nations involved, there is a paragraph in which it is recognized that this is our farm policy, and that even though we negotiate trade agreements, they are still subject to the exception that if some agricultural product is being jeopardized, the President shall have the right, supplementing the trade agreement, to add import fees as a temporary measure. This action is only temporary. It does not affect the tariff at all. It does not affect at all the trade agreements in existence.

Mr. MORSE. Mr. President, I should like to ask two additional questions.

Of course, the Senator is aware that since he has been in the Senate the junior Senator from Oregon has always supported the reciprocal trade agreements program, and intends to continue to support the principle of a reciprocal trade agreements program.

Mr. MAGNUSON. That is also true of the Senator from Washington.

Mr. MORSE. We have always joined in support of the principle of reciprocal trade agreements. But does not the Senator agree with me that that places upon us the added responsibility, as proponents of reciprocal trade policies, to do everything within our power to see to it that procedure is written into the law so that those who negotiate reciprocal trade agreements may not negotiate agreements to the unreasonable injury and detriment of American farmers?

Mr. MAGNUSON. That is correct—or in violation of any other law enacted by

Congress which establishes a basic agricultural policy.

Mr. MORSE. I agree with the Senator.

The last question I wish to ask the Senator is this: Does the Senator from Washington agree with the junior Senator from Oregon that if our Government is to persist in negotiating reciprocal trade agreements which result in unfair discrimination and gross injustice to American agriculture, then it is the duty of the Government to see to it that the burden of such losses is spread over the American population as a whole, and not borne to such an unreasonable degree by one segment of our population, namely, the American farmer?

Mr. MAGNUSON. The Senator is correct. This amendment would provide machinery for action in that field.

In one paragraph the National Grange has stated what this amendment involves. I have before me a copy of a telegram sent by the National Grange to the chairman of the Senate Committee on Agriculture and Forestry. I quote from the telegram:

We favor Magnuson amendment to section 22, paragraph (f), Agricultural Act, for without such provision way is open for other nations to take advantage of our support-price programs, making them practically ineffective.

If I were to add to that, I could cite specific instances in which that has happened.

Mr. MORSE. I thank the Senator from Washington. I intend to support his brief amendment, and I completely agree with the telegram which the Grange has sent.

Mr. MAGNUSON. The telegram is signed by A. S. Goss, master of the National Grange. I presume it was sent to other members of the Committee on Agriculture and Forestry.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CAIN. If the short amendment which has been offered by my colleague is adopted, will not the actual result be that the State Department's theory that executive trade agreements can either repeal or nullify section 22 will be denied by the Congress?

Mr. MAGNUSON. I hope that will be the effect. That is my intention.

Mr. CAIN. That is the purpose of the amendment, is it not?

Mr. MAGNUSON. That is the purpose of the amendment.

Mr. CAIN. I should like to ask one further question, if I may. Has the junior Senator from Washington been correctly informed, that his senior colleague's pending amendment was suggested during the debate on the extension of the Reciprocal Trade Agreements Act? As I understand, the senior Senator from Georgia [Mr. GEORGE] expressed considerable sympathy with the amendment, but thought it should more properly be offered at this time, to the farm bill, than to the bill extending the Reciprocal Trade Agreements Act.

Mr. MAGNUSON. I deeply appreciate having my colleague recall that

matter to my attention. We had this amendment prepared in connection with the Reciprocal Trade Agreements Act extension, and I discussed it with several Senators. Because it really has nothing to do with reciprocal trade agreements, its proper place is in the farm bill. It merely carries out what Congress said previously in section 22.

Mr. CAIN. I wish to associate myself with the views which the Senator has expressed in support of his short amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I think the senior Senator from Georgia, who is present, had better speak for himself on this question. I am reliably informed that he does not agree that this is a proper amendment to the pending bill. I do not think this is the proper place for it, and I do not believe the Senator from Georgia thinks so. However, I should like to have him speak for himself.

Mr. MAGNUSON. A few moments ago I spoke briefly with the senior Senator from Georgia. He said that he had not read all of the amendment, but we discussed this question at the time when the extension of the Reciprocal Trade Agreements Act was under consideration. At that time he thought that the proper place for this type of amendment was in another bill, and not in the bill for the extension of the Reciprocal Trade Agreements Act.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. From what I understand as to the position of the senior Senator from Georgia, I do not believe that he favors the amendment in this bill. I think he favors provisions of this kind being inserted in agreements as they are made. This amendment is similar to the provision contained in present agreements, which provide that whenever an article is under restriction in this country—which is apparently true of practically all basic commodities which are supported—the President has the power to take the action proposed. That provision is in existing treaties. That is the place for such a provision, rather than in this legislation.

Mr. MAGNUSON. If the Senator feels that way about it, then section 22 should be entirely eliminated from the bill. Congress has considered this matter many times. Inasmuch as section 22 is now in the bill, certainly my amendment is clearly not only germane, but proper.

Section 22 now reads:

No proclamation under this section—

Which provides authority for the President to impose import fees—shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

If my amendment were carried out, it would reverse that, and would say that an agreement in contravention of section 22 could not be entered into.

Mr. FULBRIGHT. If the amendment were agreed to, no agreements could be made; no other country would accept an agreement in which the United States reserved the right to act unilaterally in such respects. I do not know of any existing treaty in which the United States reserves the right to act unilaterally in such a way; but that is what the amendment would permit.

Mr. MAGNUSON. Of course, Mr. President, may I say to the Senator from Arkansas that the authority now vested in the President in connection with this matter is a very limited authority, and is a temporary one, which would be used only after public hearings were held, as now provided in the law, and only when there would be serious jeopardy to a United States agricultural product; and the fee then imposed could not exceed 50 percent ad valorem; it could not touch the tariff at all, and would be only of a temporary nature.

Mr. FULBRIGHT. The Senator's amendment has nothing of that sort in it, but it is an unconditional right unilaterally to impose fees and quantitative limitations.

Mr. MAGNUSON. If the Senator will read the bill in the full, he will observe that section 22 has many provisions. I have referred to the general provision regarding this matter, but section 22 has many provisions in regard to how the matter would be carried out.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Washington yield to the Senator from Tennessee?

Mr. MAGNUSON. I yield.

Mr. KEFAUVER. Will the Senator inform us whether any other country with whom we do business under a reciprocal trade agreement has the right unilaterally to impose import fees on products which we may send to that country?

Mr. MAGNUSON. Some do yes; but they negotiate ahead of time with the other party to the treaty, and such arrangements are agreed to.

Mr. KEFAUVER. But unless they are negotiated, no country has a right arbitrarily to add, unilaterally, an additional fee which in essence would violate the terms of the agreement or would be contrary to its terms. Is not that correct?

Mr. MAGNUSON. No. Many countries who are parties to such agreements retain the right, just as we have done, to do certain things within certain limitations; and when they negotiate the treaty it is understood that that may be done in certain emergency cases.

I have not read all the reciprocal trade agreements, but I know that some countries which have flexibility in their agricultural economies reserve the right to do certain things under certain conditions; and we negotiate treaties with them with that understanding. For instance, we have with Canada a treaty based on a sliding scale by which we establish quotas. We have negotiated reciprocal trade agreements with Canada and with Mexico, and in those treaties a sliding scale is provided; and

in that connection we can unilaterally say, "This year only so much of product X can come in. Next year, so much of it can come in"—provided we do that within the framework of the treaty.

All the amendment does is to say that, within the framework of the treaty, in the future section 22 may be taken into consideration, where emergency action by the President is needed, but within the limitations here provided, so as to provide protection for a product within the price-support provisions, in connection with the expenditure of the taxpayers' funds, as provided.

Mr. KEFAUVER. But, of course, under the agreement, each country must know its rights in that connection; and unless it is agreed in the agreement that one of the parties to it may unilaterally place fees and limitations and restrictions on imports, the amendment would seem to me almost to negative the entire trade agreements program.

Mr. MAGNUSON. I agree entirely that such an understanding should be had at the time when the agreements are negotiated. The other party to the agreement would have to know of that situation, and perhaps it would not agree to accept such a provision. But if we are not to have this as part of our basic agricultural policy, then we should delete all of section 22 from the bill, and should remove all the power of the President to do this. At present, it is completely nullified.

The amendment has nothing to do with the tariffs which are arrived at in the reciprocal trade agreements.

Mr. KEFAUVER. I cannot see that section 22, as set forth in the memorandum I have, gives the President the authority which the Senator says it does.

Mr. MAGNUSON. If the Senator will read section 22 of the Agricultural Adjustment Act of 1948, as amended, including all the provisions of the section, he will see that the President now has vested in him by Congress the power and the authority to impose import fees. This amendment has nothing to do with the tariff now in existence on a particular product. But the Senator will see that under section 22 of the Agricultural Adjustment Act of 1948, as amended, the President now has the power to impose import fees if in his opinion the importation of a given product would seriously jeopardize the economy of that particular agricultural product in the United States. But the State Department holds to the contrary; it is hiding behind the cloak of the reciprocal trade agreements.

In the future when we negotiate these agreements, if we are to have this policy—and if we are not, let us throw it out of the bill—all the amendment will do is to say that when the parties sit down to negotiate, they should know that that is a part of the agricultural policy of the United States. If it can be worked into the reciprocal trade agreement, that will be fine. Naturally it would not be done without the agreement of the other country.

Mr. KEFAUVER. I am afraid there would not be much negotiation with other countries in that case.

Mr. MAGNUSON. Why not? The amendment provides only limited authority. It does not involve changes in connection with products on which agreements already are negotiated, but it only involves emergency situations affecting our agricultural economy.

Mr. KEFAUVER. I simply say that there would not be very much negotiation if this amendment were written into a reciprocal trade agreement proper. If the Senator's amendment were adopted, it would not be possible, in my opinion, to enter into an agreement saying that the import fee would be 10 cents or \$1, or whatever amount might be determined upon, because under the Senator's amendment the right to fix the import fee is expressly reserved to the President, and nothing in the agreement could take away his right to change it or modify it in the future.

Mr. MAGNUSON. The President does not have to act in these matters at all; and he will not act unless he determines that he should do so, after the facts are presented to him. This provision is not mandatory. The President may or may not act.

Mr. KEFAUVER. But the other party to the negotiation would not know whether the President would act or would not act.

Mr. MAGNUSON. The other party to the agreement would simply have taken that possibility into consideration, in negotiating the agreement.

The Senator is a good lawyer, and I know he has drawn many contracts in which flexibility is provided for under a provision whereby one party may take certain unilateral action if certain conditions develop.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, let me say that the amendment is mandatory, in that it reserves that right.

Mr. MAGNUSON. The Senator is correct; the reservation of the right is mandatory. But the action is permissive.

Mr. FULBRIGHT. I was pursuing the point raised by the Senator from Tennessee, namely, that if it is mandatory to put this reservation into every agreement, then I do not think we could make any agreements, if such an arbitrary reservation were to be included, namely, the unconditional right unilaterally to impose fees and quantitative limitations. Quantitative limitations, Mr. President, are the most stringent of all obstructions to the movement of trade. They are worse than fees and tariffs.

Mr. MAGNUSON. We have entered into all kinds of agreements containing such a provision, and also provision for quotas.

Mr. FULBRIGHT. As I tried to point out, it is possible to reserve in our present Geneva agreements—and we do—quantitative restrictions, when we have restrictions at home. That is a very different thing from including a blanket provision, that, without any condition, any kind of quota may be imposed. It seems to me no reasonable nation would ever accept such an agreement.

Mr. MAGNUSON. If the Senator will read all of section 2, he will find that all kinds of conditions are imposed, before

the President can even exercise his permissive authority.

Mr. FULBRIGHT. The Senator is changing section 2, by taking the authority away from the President and giving it to the Secretary of Agriculture.

Mr. MAGNUSON. No; that relates to my second amendment, which, as I said, I am not pressing. It merely simplifies the procedure. I have had the experience of taking matters to the Tariff Commission, and having them held for at least a year, during which time the damage usually has been done.

Mr. FULBRIGHT. What the Senator is really complaining about is the administration of the Tariff Commission, is it not?

Mr. MAGNUSON. No.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Will the Senator permit me to read a portion of article XI of the General Agreement on Tariffs and Trade, and then to ask the Senator whether his amendment is not entirely consistent with that article? Article XI reads as follows:

VOLUME I. GENERAL AGREEMENT ON TARIFFS AND TRADE

ARTICLE XI. GENERAL ELIMINATION OF QUANTITATIVE RESTRICTIONS

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

2. The provisions of paragraph 1 of this article shall not extend to the following:

(a) export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party;

(b) import and export prohibitions or restrictions necessary to the application of standards or regulations for the classification, grading, or marketing of commodities in international trade;

(c) import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate:

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level—

I ask the Senator from Washington whether his amendment is not in fact in conformity with the principles of those procedures of the tariff agreement itself?

Mr. MAGNUSON. I appreciate the observation by the Senator from Oregon. I had the basic agreement with me yesterday. I do not have it in my papers today. But 23 nations said, "We are going into a world-wide program of re-

ciprocal agreements and economic agreements." They laid out a basic blueprint as to how the agreements should be effected. In the basic blueprints they specifically say they will reserve the right to do this for agricultural products in an emergency. That is what I asked for in my amendment.

Mr. FULBRIGHT. If it is already in the agreements, why does the Senator seem to think it necessary to include it in the pending legislation?

Mr. MAGNUSON. Because the law provides certain methods of procedure, which have to be clarified, and because the State Department, whenever we have tried to do this, whenever the Congress has said it should be done, always hides behind a cloak and says, "Not the basic agreement, but an agreement with the particular country is causing this; we have a trade agreement, and we cannot act," or "we will not act." That is what happens. For instance, at the present time, Canada is flooding our market with apples. A specific trade agreement with Canada is cited, and we are told by the State Department, "Section 22 does not require anything to be done about it." We are told that the trade agreement itself—not the basic agreement—supersedes section 22. All I am trying to do is to reverse the procedure so that in the future the Department will not only pay attention to the basic policy, but will pay attention to their own restrictions included in the basic agreement.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. MAGNUSON. I yield.

Mr. MUNDT. As I understand the purpose of the two amendments, I believe I can concur in them.

Mr. MAGNUSON. I am not pressing the second amendment, which is procedural in nature.

Mr. MUNDT. By the "second amendment", the Senator refers, does he not, to the longer of the two amendments?

Mr. MAGNUSON. I refer to the so-called long amendment. It is the amendment which provides the manner in which the facts are to be determined.

Mr. MUNDT. Is the Senator pressing the shorter amendment?

Mr. MAGNUSON. Yes.

Mr. MUNDT. It provides, as I understand, a twofold protection. In the first place, it protects the farmer against an undue influx of foreign competitive farm products, and it also protects the Treasury against having to put a support price on products which would maintain the level of the foreign imports.

Mr. MAGNUSON. It is to meet such situation as took place in connection with the potato program, for example.

Mr. MUNDT. In other words, briefly, it seems to apply the peril-point philosophy, which we were discussing the other day, to agricultural products.

Mr. MAGNUSON. I think it is something in the nature of a peril point. The difference is that in the peril-point provision discussed the other day, in the event of the peril point becoming an actuality, the matter came to Congress.

In this case we follow the procedure laid down in the Agricultural Adjustment Act, which allows the President to act in an emergency. The peril-point legislation dealt with set tariffs. We are not dealing with set tariffs at all. We are not touching trade agreements.

Mr. MUNDT. The amendment provides a more vigorous and realistic protection than the peril-point philosophy, because when we reached the peril point, the President could still accept or reject the recommendations of the Tariff Commission, whereas the pending amendment creates a congressional policy which the President is expected to follow. Am I correct in that understanding?

Mr. MAGNUSON. He may do it. It is permissive with him. I think perhaps the best example I could cite is that of the potato program. The State Department said in effect, "We have a trade agreement with Canada providing that so many potatoes shall come into the United States." Whatever the tariff is on them, I do not know. In the meantime, we were loaded with domestic potatoes, and, as the Senator from New Mexico said, it cost the Treasury \$250,000,000. In such a case the President could act by requiring an import fee on potatoes. The existing tariff is not affected, nor does it affect, except indirectly, the reciprocal trade agreement. It only follows out what has been said in the Congress.

Mr. MUNDT. I may say it so closely approximates the peril-point protective philosophy that it makes me think I am 100 percent in favor of the suggestion. I think it is worth while.

Mr. MAGNUSON. I might be thought to be inconsistent about the matter. I voted against the peril point, as I said yesterday, simply for the reason that it required the matter to come back to Congress. I did not want to see a recurrence of the old log-rolling days in Congress in connection with tariffs. It dealt only with tariffs and it set amounts. This does not deal at all with tariffs. It does not touch them.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Indiana?

Mr. MAGNUSON. I yield.

Mr. CAPEHART. The Senator just made the statement that under the peril-point amendment the matter was referred back to Congress.

Mr. MAGNUSON. It did, as I understood the amendment.

Mr. CAPEHART. I am certain the able Senator did not understand it, because, if the President wanted to change it, all he had to do was to notify the Congress of his reasons, in which case the Congress would have had no dictatorial power over the matter at all. We simply asked the President, in the event he did certain things, to notify the Congress in writing, without any veto resting in the Congress. The pending amendment is exactly the same as the peril-point amendment we fought so hard to get through about 2 weeks ago, to protect all industry in America. The able Senator now wants to apply the peril-point

principle to agricultural products. I am for the amendment. I shall vote for it, because I believe in its application to agriculture, just as I believe in its application to all other products of America. I think the amendment should be agreed to, as I thought the peril-point amendment should have been agreed to. I think it is only fair, equitable and honest that we protect all industry and protect everyone in America alike. If the time comes when the tariff is so low that imports imperil industry, and men and women are thrown out of work, our Government should protect industry and should protect men and women in their jobs.

Mr. MAGNUSON. I may say to the Senator from Indiana that I do not quite agree with him that my amendment is on all fours with the peril-point amendment. That amendment dealt with a matter on which Congress had never acted. My amendment deals with a matter as to which the Congressional intent has been long established, namely, agricultural products. It does not deal with tariffs; it merely deals with the permissive authority which the President now has to apply import fees of a temporary emergency nature to agricultural imports. Although it deals, of course, with the whole problem of reciprocity in trade agreements, it is an entirely different amendment.

Mr. President, I have with me the endorsement of this amendment by the National Grange. When the subject was being considered, prior to the reciprocal-trade-agreement debate, I talked with other agricultural leaders and representatives of agricultural organizations, and I have yet to find anyone opposed to my amendment. It seemed to me that it would clarify the situation and offer a means of permissive protection for American agriculture and would deal with many little knotty situations in which imports seriously jeopardize domestic agricultural products.

The Senator from New Mexico has said that if the last amendment offered had been adopted, the bill itself might as well not be passed. I can envision a situation in which the price-support program, which may be costing us a great deal of money, may be itself wrecked. As the Senator from New Mexico has pointed out, unless it be flexible and adjustable to the conditions of the economic situation at the time, we shall have trouble. Because of imports, we had a great deal of trouble, particularly with regard to certain items which were not even under the price-support program. Our reciprocal-trade agreements are flexible, and my amendment would make the operation of the law flexible with respect to agricultural products.

I shall not press my second amendment, because it merely changes the procedure. My "beef," to use a slang expression, regarding the Tariff Commission, is their seeming inability to arrive at a fundamental decision.

I hope my amendment will be adopted.

Mr. President, I do not like to put into the Record the whole basic agreement, but I should like to have printed in the Record article XI of the trade agreement entered into at Geneva, which specifi-

cally allows flexible unilateral action in trade agreements when they are negotiated.

There being no objection, the article was ordered to be printed in the Record, as follows:

ARTICLE XI. GENERAL ELIMINATION OF QUANTITATIVE RESTRICTIONS

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of a product destined for the territory of any other contracting party.

2. The provisions of paragraph 1 of this article shall not extend to the following:

(a) Export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party.

(b) Import and export prohibitions or restrictions necessary to the application of standards or regulations for the classification, grading, or marketing of commodities in international trade.

(c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

(i) To restrict the quantities of the like domestic product permitted to be marketed or produced, or if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) To remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level; or

(iii) To restrict the quantities permitted to be produced of any animal product the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible.

Any contracting party applying restrictions on the importation of any product pursuant to subparagraph (c) of this paragraph shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value. Moreover, any restrictions applied under (i) above shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions. In determining this proportion, the contracting party shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned.

Throughout articles XI, XII, XIII, and XIV the terms "import restrictions" or "export restrictions" include restrictions made effective through state trading operations.

Mr. FULBRIGHT. Mr. President, I do not want to take much time on this question, because we argued it only a short time ago. This amendment is quite similar to the peril-point proposal, except that it is restricted to a very special program. I suspect it could be restricted to other than agricultural products.

I oppose the amendment on two or three grounds. My first ground is that

I do not think a matter which is so important as is this one should be brought in at the last moment in connection with an agricultural bill without having been examined very closely and considered by the proper committee, which, in my opinion, would be the Finance Committee, dealing with our reciprocal trade agreements.

I am not at all sure that I understand all its implications, but I think it is very clear that this kind of a provision of an unconditional right unilaterally to impose fees and quantitative limitations would be unacceptable to practically all countries seeking to make any kind of an agreement. I am quite sure our own country would not accept such an agreement, and I cannot imagine that other nations would accept it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. It is not an unconditional right. It is subject to conditions which the nations agreed to themselves in the basic Geneva agreement. It is conditioned on many things. They agreed to it in article XI of the basic trade agreement, if I correctly read it.

Mr. FULBRIGHT. I certainly do not want to pose as knowing all the answers in this field, but there is a disagreement between us as to whether this amendment should be included in the bill at the last minute. I do not think we appreciate all its implications.

On its face the language is very clear. I should like to read it:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section.

That is an unconditional right unilaterally to impose fees and import quotas. It is the right completely to stop all trade.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. Of course, I agree with what the Senator has said about the amendment's being very closely analogous to the peril-point amendment, but because of that I feel that the Senator from Washington is certainly justified in offering it. It is not something new which is brought in as a last-minute amendment to a bill, because we argued peril points for 10 days on the floor of the Senate. This seeks not to extend them to all types of industry, but simply to agriculture. As the Senator has pointed out, using the term "import fees" instead of "tariffs" is a good deal like referring to excise taxes as Federal sales taxes.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I am only carrying out the terms of what has been the practice for a long time. It is not unconditional at all.

Mr. MUNDT. I am supporting the Senator in his position. I think agriculture is entitled to this protection, although I must confess that the peril-

point amendment was a little bit more moderate and workable, because it permitted the President to establish tariffs which would still permit a certain amount of imports. This amendment provides for an embargo of agricultural imports.

Mr. FULBRIGHT. The amendment is not so clear as I thought it was, and that is what led me to say that it required further study by the proper committee which is familiar with our reciprocal-trade program. I think it should be submitted to the proper committee for study, even though it may be a small peril-point amendment.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. WILEY. A rose by any other name would smell as sweet.

Mr. FULBRIGHT. Or as sour; yes.

Mr. WILEY. Whether it is in the nature of an executive protective tariff or in the nature of a provision contained in the original agricultural act, for the protection of American producers, it does not make any difference what we call it. Are we not getting around to the point where we begin to realize that, after all, the American market is the best market in the world and that we had better utilize it for the American producer? Is not that about the size of it?

Mr. FULBRIGHT. With some qualifications. We also have quite an interest in foreign markets. The producers of a good many of the basic commodities which are in the program we are considering, and which we support, have a very substantial interest in their foreign markets. That is one thing some seem never to be able to admit—that in order to sell anything abroad we have to buy something. That part is always left out. As has often been remarked, we are all for protection for what is produced in our particular communities, but we are free traders for every other article, and this is just another instance.

In one sense, there is nothing new about this whole program. My basic objection is that here, in a really domestic agricultural bill, we are seeking to rewrite in a very substantial sense the reciprocal-trade program which a short time ago we fought out at great length. The peril-point provision was defeated, whether Senators like it or not, and now there is an attempt to fight it all over again in connection with this agricultural bill, under another name, as the Senator from Wisconsin says.

I am quite unable to see the difference between an import fee and a tariff, though the Senator from Washington insists there is a great difference. On a particular commodity that is brought in there are so many dollars to be paid, whether it is a fee or a tariff. One may be permanent and the other may be temporary, but the effect on trade is just the same.

Mr. MAGNUSON. Mr. President, if the Senator will yield, in the case of the peril point, we were talking about a matter which was going to be enacted as a new intent of Congress. The provision we are discussing has been in the law for 2 years. It was a law for which the Sen-

ator from Arkansas himself voted, I imagine. I have not checked the record, but I know the Senator has always been a great friend of agriculture and the farmers, and he probably voted for the AAA bill. I am sure he did.

Mr. FULBRIGHT. I did.

Mr. MAGNUSON. If he did, he voted for the policy I am advocating.

Mr. FULBRIGHT. I am still for that law. In the long run, for all agriculture, not specifically tree nuts, or apples, or something else, but for all agriculture, including wheat, especially wheat, cotton, and tobacco, I think this provision would be a very bad thing, while it might have a very beneficial effect temporarily on apples or something else in excess supply.

American agriculture has two very great interests. The domestic market is not the only one. There is the export market. Both are important, and our foreign policy should be designed and administered to give maximum opportunity to farmers for both markets.

I happen to come from a section whose principal product is exported. Mine is not the only community, either, in that category. We are exporting a considerable quantity of wheat these days, and wheat is just as important as potatoes or apples.

Mr. MAGNUSON. Mr. President—

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Arkansas yield to the Senator from Washington?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I am sure the Senator would not want to create the impression that this is some sort of a sectional amendment. Potatoes and apples were used only as examples.

Mr. FULBRIGHT. I was citing them because the Senator did. I was not trying to be personal. The Senator used those examples. I did not originate the examples.

Mr. MAGNUSON. There is nothing sectional about the amendment.

Mr. FULBRIGHT. I was using the same examples the Senator had originated. I was merely calling attention to the fact that agriculture in this country has a very important stake in the foreign market. The matter of the peril point, which the Senate decided not so long ago, is inconsistent with our over-all objective of bringing about a greater amount of trade. I would say it is against the long-term interest of agriculture as a whole.

The quota proposition is the most difficult and most restrictive of all the obstacles to trade. We were told within the last week of the effort the ECA is making to get rid of quotas as among the European nations. That is the most encouraging thing they have told us, that they are now as part of their recovery program in the midst of a negotiation in which the Europeans are agreeing, as among themselves, to take off quotas on 50 percent of the articles which now bear them.

At the time we are asking these very countries to take off quotas, and to tear down the obstacles to international trade, if we now inject this mandatory provi-

sion into our law, and revert back to a provision which would make it possible for us to use the very quotas which we are asking them to discard, we are put in a completely hypocritical position with regard to the other countries.

I call the attention of Senators again to the fact that in the existing agreements, and in pursuance of the basic law, which the Senator has quoted, our negotiators have included in the various trade agreements the right to impose quotas in cases where domestic production is restricted. In other words, in all these instances, or practically all of them—I think all those involving the major crops—we are restricting where we provide support prices. We intend, we think—and as a practical matter that is the way it will operate, though there may be exceptions—that in those cases there shall be the right to impose quotas. But there is a great difference between imposing them in a trade agreement in general with the countries, and putting a mandatory provision in the law which applies to all international trade, without any restrictions at all. I cannot imagine that the other countries would be willing to accept this kind of a provision.

There is one other thing which bears directly on that, namely, the escape clause which is included in the agreements, which provides an orderly way by which all additional fees can be adopted under the procedures set up. I think that is ample protection.

I should like to make one other observation in that respect. I think the Senator may be complaining more about the way the provision is administered than the actual protections which are now included in the trade agreements, because they would appear to me to be ample, purely as a matter of provisions in the treaties themselves.

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from South Dakota.

Mr. MUNDT. The Senator from Arkansas has made much of what he calls the unilateral advantage which this would give the United States, if we take action independently. I do not believe that is the proper interpretation of the amendment, as I read it. I think this is simply a warning light which is run up in advance of the negotiations which would still be made multilaterally.

The Senator's repeated reference to unilateral action and its bearing upon international trade given me a thought whereby perhaps we can justify now reconsidering the peril point philosophy which we rejected by a close vote a week or two ago. Since our other vote, the British unilaterally have reduced the value of the pound, thereby reducing the protective capacity of our reciprocal trade agreements by some 33½ percent. We are therefore confronted with a different situation today.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I wish to answer first the Senator from South Dakota then I shall yield.

Mr. MUNDT. Let me conclude the sentence. I wanted to protect the Sen-

ator from Washington from any false charge of inconsistency, by virtue of the fact that we are faced with a different situation from that confronting us when we last voted on peril points. The devaluation of foreign currencies has changed conditions. There is a more acute situation today. Unilaterally the British have started that by the change in the value of their pound, and therefore I think the Senate is justified in reconsidering its decision and the debate regarding the peril point, which, I agree with the Senator, the pending amendment involves.

Mr. FULBRIGHT. The use of the word "unilaterally" in this connection is rather a strained one, because the British have been under great pressure from this country to reduce the value of the pound, and I doubt whether it is accurate to say it was unilateral.

Mr. MUNDT. The Senator is aware of the fact that the French are complaining it was not multilateral, is he not? At the very least, it was bilateral.

Mr. MAGNUSON. Mr. President, I hope, again, that we can get this matter clear. The peril-point provision was defeated in connection with the Reciprocal Trade Extension Act. We are now talking about whether we are for a peril point, or whatever one may call it, a matter which the Congress has already decided, for which the Senator from Arkansas voted. If he calls this a peril point, he voted for the peril point when we passed the AAA bill. So did I.

Mr. MUNDT. A year ago.

Mr. MAGNUSON. A year ago.

Mr. MUNDT. A year ago we also had the peril point written into the law.

Mr. FULBRIGHT. I do not agree with the Senator at all that I voted for a peril point. It is very different from section (f).

Mr. MAGNUSON. Mr. President, we all voted for section 22. I am only proposing to carry out what we voted for.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wanted to make the observation, in connection with the remarks of the distinguished junior Senator from South Dakota [Mr. MUNDT] about the unilateral devaluation and its effects on our imports, that it also touches a subject about which the junior Senator from Arkansas [Mr. FULBRIGHT] is very tender, to wit, exports. It is in fact limiting our exports.

Mr. FULBRIGHT. It limits competition; that is true.

Mr. MILLIKIN. Whatever the Senator may call it, it reduces the hurdle over which imports have to pass into our market by 30 percent.

Mr. FULBRIGHT. There is no doubt about that.

Mr. MILLIKIN. It heightens the hurdle to our exporters by about 30 percent. Yes; it increases competition all right. It destroys a great amount of our business.

Mr. FULBRIGHT. There is no doubt about that. I think the Senator from Colorado has been entirely consistent in his view all along, ever since I have

known him, with respect to the matter of international trade. But there is a difference, and the difference is that the objective of these reciprocal trade programs is to increase international trade. The objective is to increase both exports and imports; that is, to have a greater flow of trade. In enabling other countries to be competitive or to import we have actually been giving them the difference. Actually that is about what the ECA has done, except in its initial stages, when it was engaged to a great extent in affording relief.

But now it has become a program of giving away dollars, because other countries could not sell goods here for various reasons, one of which is our tariffs, and the practices which had grown up under the shelter of tariffs. If we do not want to have international trade I agree that we ought to keep the tariffs high and ought to place every barrier possible around us. There are two different schools of thought on the matter. We cannot sell abroad and buy nothing. I consider that for about 25 years it was the basic philosophy of this country that we would sell abroad and buy nothing. That represents a very simple difference between us. But if we want to sell abroad and if we want to have international trade we must buy something and, of course, it is going to hurt somebody to some extent. It is a question of balancing the over-all good of the whole country against some particular—usually smaller—segment of the economy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The argument has always been that we have got to increase our exports and that in consideration of increasing our exports we must open our markets to imports.

Mr. FULBRIGHT. That is correct.

Mr. MILLIKIN. Would the Senator from Arkansas be good enough to tell us what has happened on the international scene lately that helps our exports? We are subject to almost 300 bilateral agreements which check our exports. Now we are subject to a devaluation which increases the hurdles, which heightens the hurdles over which are exports must go. Great Britain is over here asking that she be permitted not to take our wheat with the dollars we are lending her to purchase wheat. Then can the Senator tell us what encouraging thing there is toward increasing our exports?

Mr. FULBRIGHT. I unfortunately cannot tell the Senator about any encouraging things in any field.

Mr. MILLIKIN. Give me one, please?

Mr. FULBRIGHT. There is nothing very encouraging whatever in the whole scene. But the effort of this country and its policy is to try to reestablish conditions under which we can trade. The whole objective of giving away approximately \$5,000,000,000 a year to Europe is to try to get her on her feet. The Senator from Colorado logically should never have permitted us to agree to an ECA program which would rebuild Europe, because that inevitably is going to assist her to get into a position to compete with us. Our whole policy has been

directed toward re-creating a stronger Europe, which in turn can manufacture goods, which in turn can sell in competition with ours. ECA and lower tariffs and reciprocal trade are all consistent as an over-all policy. To be consistent with the Senator's point of view we should not have any ECA at all.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The announced purpose of ECA was to make a one market western Europe, to make interconvertible currencies, and to stop economic autocracy in Western Europe. Mr. Hoffman himself admits that those objectives have failed. If they have not failed, if the Senator has a different opinion, let him tell how the objectives have succeeded.

Mr. FULBRIGHT. I think the Senator from Colorado will recall that he and I had an exchange of views about that last spring when I offered an amendment to the ECA Act which would afford the use of funds to bring about freedom of trade and convertibility within the ECA area, so that those nations would be strong enough to stand on their own feet, and I hoped would be freed from the necessity of artificial respiration from us. But that amendment was rejected. I think that objective has failed. Within the last two weeks Mr. Hoffman came before the Senate Committee on Banking and Currency and said that at last the western European nations have seen the light and are trying to break down the restrictions on trade within the Western European area, and that he proposes to devote \$150,000,000 for that purpose. The amendment I offered last spring, which the Senator opposed, contained such a provision. I think the Senator recalls the amendment which he opposed.

Mr. MILLIKIN. As I recall, the Senator from Arkansas was trying to coerce a customs union, or something of that kind.

Mr. FULBRIGHT. No; I was trying to enable the western European nations to achieve a union which they already said they desired.

Mr. MILLIKIN. I did not like the political inference involved in the Senator's amendment.

Mr. FULBRIGHT. The Senator's position is consistent. I have never seen the Senator in this field or in any other field that I know of take a position which has been inconsistent with the one he is now taking. He does not believe in international trade. He does not believe we should import anything which can be made in the United States, and I think he believes we ought to live apart. If I thought it were possible for us to do so I would agree with the Senator entirely; I wish it were possible to pursue such a course; but I think the penalty for that view is the recurrence of wars, and the weakening of the western European countries. That is my reason for disagreeing with the Senator from Colorado.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The Senator has said several things. He has said that I would surround this world with a Chinese wall.

Mr. FULBRIGHT. I said "this country."

Mr. MILLIKIN. This country. On the contrary, I want imports on a fair competitive basis. The Senator would convey the impression that I am opposed to exports. I am quarreling with the Senator because we have not obtained exports as the quid pro quo for what we have given to secure them. Every day the hurdles are being raised higher against them.

Mr. FULBRIGHT. We have exports to the extent we have given away our money. But we cannot continue to give away to Europe dollars to be spent in this country.

Mr. MILLIKIN. I hope we do not form a permanent national policy of exports supported by give-away dollars.

Mr. FULBRIGHT. No. That is why I want to loosen up the channels of trade, and avoid putting quota restrictions on international trade.

Mr. MILLIKIN. But when the give-away policy is stopped there will still remain all the quotas, there will still be the import licenses, there will still be the bilateral agreements, there will still be the preference areas, and then what will we do with our export goods?

Mr. FULBRIGHT. The Senator may be right. Many of the efforts we have put forth have failed. As I said a moment ago, I cannot say that we have achieved all our objectives. But I still insist that our objective is to get rid of the import quotas other countries have placed on our goods, including in many countries our agricultural commodities, by reason of the fact that they are trying to conserve their dollars. I agree that the policy has not been a great success. If it had, we would not have all the troubles with which we are plagued. I think many of the surpluses with which we are now faced would not be bothering us if there was freer trade. I believe agriculture has a great stake in enabling other countries to purchase agricultural products. Part of that is dependent upon our permitting them to sell us goods in order to enable them to secure dollars. The Senator knows better than I that the people of western Europe want our products, but they do not have dollars to pay for them.

Mr. MILLIKIN. They do not want to pay for them.

Mr. FULBRIGHT. They do not want to pay for them—

Mr. MILLIKIN. They have the dollars to pay for them but they do not want to pay for them—period.

Mr. FULBRIGHT. Perhaps none of us would want to pay for anything if we could get it free. But if they had the dollars and wanted to eat, why they would usually pay for the food they needed.

Mr. MILLIKIN. We are all devoted to free enterprise, but the term has come to mean to be enterprising to get everything one can for free from the Government.

Mr. FULBRIGHT. That particular difficulty is not restricted to foreigners.

The Senator will find a little of that inside our own country.

Mr. MILLIKIN. Oh, yes; I agree.

Mr. FULBRIGHT. That is a sort of a characteristic common to many people.

Mr. MILLIKIN. I agree.

Mr. FULBRIGHT. I do not know that this Congress has a very good record in protecting itself from that particular inclination in the past few years.

Mr. MILLIKIN. It has a very bad record.

Mr. FULBRIGHT. Mr. President, I have been diverted from the main objective. I can only say that I hope the Senate will not accept this amendment to this bill at this time. I do not think it is a proper bill in which to try to rewrite our foreign trade policy. Certainly, in a very sense, this proposal is very similar to the peril-point idea in a restricted field. We fought that battle out. The only thing I am afraid of is that Members of this body will not realize its importance. They did in connection with the reciprocal-trade program, because the subject was thoroughly debated and every Member of the Senate was aware of the implications of that proposal. A clean-cut decision was made by the Senate. I do not believe it is proper to offer such an amendment in connection with this bill, in which no one was expecting a reconsideration of our basic foreign economic policy. It seems to me that it would be a great mistake to adopt the amendment and make it a part of this bill. If this sort of thing is to be done, the question certainly ought to be submitted to the committee of the distinguished Senator from Colorado, and the proposal should be brought in as a part of a bill in which its full significance is recognized. I think it has implications which might be extremely serious to the entire program of trying to promote a greater flow of international trade. If we are going to do it, it ought not to be done in an offhand way in connection with a bill the substance of which goes in an entirely different direction than international trade.

That is my basic objection to the amendment. It might well be that after due consideration and certain qualifications of this sort of thing might be incorporated into our policy. I feel a little hesitancy in saying positively that there is no merit in this amendment, but I do say positively that it ought not to be accepted in this very precipitate manner, on this kind of bill. I think that part of my position is entirely sound. I would welcome comments from members of the Finance Committee who considered this proposal.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. MILLIKIN. Mr. President, I am in favor of the amendment, for several reasons which move others to oppose it.

This amendment is one more illustration of the break-down in the handling of our reciprocal trade system. Within the past two weeks three or four groups of American producers have had to come to Congress to try to obtain relief from situations which should have been han-

dled under the intelligent administration of our trade agreement system. One group was the fur farmers. The proposal with respect to that group was defeated. But we hope to get some relief for them from a later amendment, which was agreed to. Oil narrowly missed being given a quota; and I have no doubt that the oil question will be before us again. Now we have this amendment, which covers a wide agricultural field, but which probably was motivated by acute distress among those who grow tree crops.

If relief cannot be obtained through the intelligent handling of our reciprocal trade agreement system, we have no alternative but to consider these questions on the floor of the Senate, the avoidance of which motivated the reciprocal trade systems.

The repeated requests by distressed industries for special and separate relief illustrates, as I said before, how badly this system has bogged down. But that does not, I respectfully suggest, warrant us in confirming ourselves to the lament "It is too bad." If the reciprocal trade system is not handled efficiently, we have no alternative but to consider these problems as they arise. I shall give the pending amendment my support.

I wish to say—and I think I am in disagreement with the distinguished Senator from Washington [Mr. MAGNUSON] when I say—that in my opinion the amendment is in conflict with GATT. It is in conflict in the Annecy agreement. It is possibly in conflict with other trade agreements.

I believe that it would compel the renegotiation of all those agreements. If we must renegotiate those agreements to avoid the mismanagement of reciprocal-trade matters, we have no alternative.

Let me repeat my point that this amendment does violate our present reciprocal-trade agreement system.

When we had the provisions of GATT, the so-called Geneva agreement, before the Senate Finance Committee last February and March we took the provisions of that agreement one by one and heard testimony on them. In article XI, which has been read, but which I do not believe has been read far enough, there is the following requirement when we wish to impose a quota to protect a domestic agricultural program which limits its production in connection with a price-support program:

Any contracting party applying restrictions on the importation of any product pursuant to subparagraph (c) of this paragraph shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value. Moreover, any restrictions applied under (1) above shall not be such as will reduce the total of imports relative to the total of domestic production as compared with the production which might reasonably be expected to rule between the two in the absence of restrictions. In determining this proportion, the contracting party shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned.

This does not give us the complete right to stop all imports in order to support our price-support program. We have to reduce our domestic production proportionately with the reduction of imports and is in conflict with the amendment before us. That was all made clear in the examination of Mr. Brown, who was a witness for the State Department. We were discussing article XI of GATT. Let me read a few excerpts from his testimony. I am reading from page 1218 of the hearings to which I have referred:

Senator MILLIKIN. Will you be good enough to give us a rather full explanation of this article?

Mr. BROWN. This is a very important article, Senator MILLIKIN. It sets forth one of the basic principles of the agreement, which is a principle which has been contained in all of our trade agreements that quotas should not be used on the importation of products covered by the agreement.

That is the main principle.

This is broader because it applies to all products. The same is true of export quotas. That is a fundamental principle of the agreement which is modified by a series of exceptions which appear in later articles.

On page 1219, the junior Senator from Colorado asked the following question:

Senator MILLIKIN. Now, bring that prohibition—

That is, the prohibition against quotas, the prohibition against exports—

bring that prohibition against the exceptions so that we can determine the scope of the exceptions, and what is left after you get through with the exceptions. And give us some examples as you go along.

After discussing certain exceptions in article XI, which are not relevant here, Mr. Brown said, on page 1220:

Then, in (c) we have had had cases and other countries have had cases where it has been necessary for the Government to take action to reduce surpluses, and to prevent disastrously low farm prices by acreage control; and it would obviously be unfair in such a case to permit imports to come in and to contribute to the very same surplus situation which the Government was stepping in to correct. In that case a quota could be used.

Senator MILLIKIN. We have authority to go into many acreage limitations. We can go into acreage limitation on a number of products. If we imposed acreage limitations, does that automatically permit us to fix quotas on the same product?

Mr. BROWN. Yes, sir.

Senator MILLIKIN. Anywhere along the line? There is no exception to that?

Mr. BROWN. We couldn't fix the import quota at an arbitrarily minute amount.

In other words, they cannot entirely exclude imports.

Then he said:

I mean, there must be a reasonably proportional amount.

Mind you, Mr. President, our farmers are being subjected to a reduction of acreage because we have a surplus, but we cannot exclude the importation of everything that is necessary to be excluded in order to keep from adding to the surplus. We cannot do that; but we have to reduce the imports proportionally to our own reduction and thus we subsidize those imports so that they may add their weight to overburdened price-depressing markets.

Then the following occurred:

Senator MILLIKIN. Where does it say that? Mr. BROWN. Where it says [reading]:

"Moreover, any restrictions applied under (1) above shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions."

And the test given there, the one objective test, is the previous representative period.

Senator MILLIKIN. That is another way of saying that if we were actually applying acreage restrictions, we could not exclude completely the similar product from a foreign country.

Mr. BROWN. That is correct, sir.

Senator MILLIKIN. But our exclusion would be measured by what would be considered as a fair proportion under normal conditions.

Mr. BROWN. That is correct, sir.

Mr. MAGNUSON. Mr. President, will the Senator yield at this point?

Mr. MILLIKIN. I yield.

Mr. MAGNUSON. Of course, that is section 22; and the limited authority to do that falls within what was the interpretation of the basic agreement. Is not that correct?

Mr. MILLIKIN. I think the Senator's amendment goes further than that, because under it a complete quota could be imposed; and Mr. Brown made it clear that that could not be done under this provision of GATT.

Now I read from page 1221:

Senator MILLIKIN. Let us take the case of the limitation on the production of agricultural products in this country. If we came into sharp limitation of acreage in any field, or any other type of limitation, limitation on the end product, for example, any sharp limitation of that kind, you can see at once what the political repercussions would be here at home.

We are getting those repercussions in the Senate in connection with the parade of specific products that now are coming before us for protection.

I read further:

You would have a hard time selling the farmer of this country on the proposition that while he is undergoing those limitations, at the same time foreign stuff should come in here and take its part of a market which, under those circumstances, he might well feel belonged to him.

Now I suggest that that is a very important policy that you have here. I suggest that only Congress can establish a policy of that kind. I suggest that the Congress might not agree with that kind of a policy. I suggest that there is no authority in your enabling statute to impose that kind of a limitation.

I add at this point that that is one of the reasons why I am supporting the Senator's amendment, because he is trying to do congressionally what the Congress has a right to do and which GATT does not have the right to forbid.

Then I said:

What is your theory?

Mr. BROWN. My theory is that there is, Senator.

Senator MILLIKIN. Well, that is a simple disposition of the matter, Mr. Brown.

I am not so sure that the Congress would feel itself bound to follow your lawmaking, here.

And now we have caught up with that prediction.

I read further:

Mr. BROWN. Of course not, sir. I would never suggest that Congress was bound by anything which I stated.

Senator MILLIKIN. Do you intend to bring back any part of this article to the Congress?

Mr. BROWN. We intend to ask the Congress to repeal the prohibition—

On what, Mr. President? The prohibition on this proportional quota business? No. The answer is—

on the export of tobacco seed, which would be clearly prohibited by paragraph 1 of this agreement. And I think, although I am not yet completely sure on this point, that we shall ask the Congress sharply to modify if not repeal the manufacturing clause in the copyright law, based partly on this article and partly on article III. Because that operates as an absolute prohibition upon the importation into this country of any book in the English language.

Senator MILLIKIN. Anything else?

Mr. BROWN. No, sir.

Senator MILLIKIN. You do not intend to ask the approval of Congress of that part of the article which proposes a restriction on its congressional power to establish a quota if it feels that it should be established, in connection with its domestic production regulations?

Mr. BROWN. No, sir; there have been quota provisions in our agreements from the very beginning.

I read now from page 1224:

Senator MILLIKIN. What I had in mind was that there is quite a little agitation for a rigid support price policy.

The CHAIRMAN. Yes.

We just finished that about half an hour ago.

I read further:

Senator MILLIKIN. And if we have a rigid support price policy, then, as a matter of sound procedure, I suggest we have to have legislative authority for rather rigid controls on production.

And after we have had these years of encouragement of production, to bring our farmers down to rigid controls on production, and a substantial lessening of production, would be something that I think as a practical matter would cause a lot of pressure around here not to lessen the market by importations of any kind.

Mr. BROWN. May I make one further observation on this, Senator?

Senator MILLIKIN. Yes.

Mr. President, we are discussing now the reciprocal nature of these restrictions and exceptions. I call this matter particularly to the attention of the senior Senator from Arkansas:

Mr. BROWN. We have been discussing thus far the point of view purely of looking inward into the United States. The quota, of course, is the device which is most used against the exports of the United States, and very heavily against the agricultural exports of the United States as well as the industrial exports. And it has been and still is one of the primary objectives of our efforts to limit the use of that very effective weapon against our exports.

Therefore, I think this article must be looked at very carefully from that point of view as well. We must recognize that in this article we have protection against the complete embargo by another country of our products which we would like to send in to it. And in view of the very great importance of our exports to that segment of the community, and to the Nation as a whole, that is a tremendously important aspect of this. I mention that only to balance the consideration.

Senator MILLIKIN. This is entirely in the field of opinion, but I think you will find that as food production increases in the rest of the world, the nationalistic tendencies, which are growing rather than contracting, will result in quotas and all other restrictions necessary to keep our farm products out of competition with domestic production in those foreign countries.

Mr. President, in closing, I wish to say again that I am in favor of the Magnuson amendment. I believe it is based on the proper authority of Congress. I believe it is a suitable amendment to correct and protest what in my opinion has been invalidity done at Geneva and Annecy to restrict our right to safeguard our production control and price support programs.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. WILLIAMS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Martin
Anderson	Hickenlooper	Maybank
Baldwin	Hill	Miller
Bridges	Hoey	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Cain	Ives	Murray
Capehart	Johnson, Colo.	Myers
Chapman	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Mahoney
Cordon	Kefauver	Pepper
Donnell	Kem	Robertson
Douglas	Kerr	Russell
Downey	Kilgore	Saltonstall
Eastland	Langer	Schoeppel
Eaton	Long	Smith, Maine
Ferguson	Lucas	Stennis
Flanders	McCarthy	Taylor
Fulbright	McClellan	Thomas, Okla.
George	McFarland	Thye
Gillette	McKellar	Wiley
Graham	McMahon	Williams
Green	Magnuson	Withers
Hayden	Malone	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. WILLIAMS and other Senators asked for the yeas and nays, and they were ordered.

Mr. LUCAS. Mr. President, I should like to say a word or two in opposition to the amendment. The amendment, in my judgment, has absolutely no place in the agricultural bill. It is an amendment which really should be considered by the Committee on Foreign Relations. I shall read the amendment, and I ask Senators to listen attentively to its reading:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation.

Either the Committee on Foreign Relations or the Committee on Finance, which reported the reciprocal trade

agreement bill, should consider this kind of an amendment.

I am a little bit surprised that my good friend from Washington would offer an amendment of this kind, in view of the position which he took when the Senate had under consideration the reciprocal-trade-agreements bill. This is an important amendment. The chairman of the Tariff Commission goes further in his interpretation of this amendment than I do. He takes the position that every trade agreement we have at the present time would have to be renegotiated if this amendment should become a part of the law. Under any circumstances the most rigid construction or the most liberal construction of the amendment indicates definitely that when one of the trade agreements expires, it is the duty of the United States to renegotiate that trade agreement with respect to the language in this bill. The amendment would have a tendency practically to kill the trade-agreement program. I can understand how my good friend from Colorado [Mr. MILLIKIN], one of the most able Senators on the floor, can rise and speak for this amendment. When my friend from Colorado speaks in behalf of an amendment dealing with this kind of a question, it is in line with his basic philosophy with reference to the question of trade agreements, and I know it is time to be concerned so far as my thinking upon this question goes.

I sincerely hope the Senate of the United States will not at this time fall by the wayside and support the amendment offered by my distinguished friend from Washington. I hope my friend, when he realizes what he is doing with respect to the trade-agreement program, will withdraw his amendment. I am somewhat curious to know where he found it. He has not explained that in the debate. It is of such transcendent importance that I really cannot quite understand—

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. I wish to ask the distinguished Senator from Illinois a question. With our farmers producing 40 percent more cotton, 40 percent more tobacco, and more wheat and more of every commodity than we can consume at home, is there any single group more vitally interested in the success of the reciprocal trade-agreement program than are our farmers; and if we, in the name of American farmers, wreck that program, what greater injury could we inflict upon them?

Mr. LUCAS. The Senator is eminently correct.

I want to make this statement in respect to the reciprocal trade-agreement bill which we passed in the Senate not long ago. The president of one of the largest farm organizations of the United States came to my office, along with his assistant, a few days after we had passed the bill, and offered sincere congratulations to the Senate of the United States for what we had done with respect to maintaining the Hull-Roosevelt

theory of reciprocal trade agreements. This amendment is right in the teeth of what we did a few days ago.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. MAGNUSON. The Senator from Illinois would like to know where I found this amendment. I shall be glad to tell the Senate where I found it. The policy is in the Agricultural Adjustment Act for which the Senator from Illinois voted. The Congress said, insofar as agriculture is concerned, that when we use the money of the American taxpayers for price supports, placing limitations on our farmers, the products affected are in a different category, and when we negotiate trade agreements we should consider them as such. That is in section 22 of the Agricultural Adjustment Act for which the Senator from Illinois voted and for which I voted. It has nothing to do with trade agreements now in existence.

That is where I found the amendment. When the Senators says he does not know why it is offered to this bill, I ask the Senator to read section 22 of the bill, and he will find the same thing in reverse; I am offering the amendment only in order to change the language around. That is why it was offered as an amendment to the bill. If it is not proper in this bill, then section 22 should not be in the bill for which we all voted. It is a subject which has been discussed many times. The only purpose of the amendment is to carry out a policy. If we do not want that policy, if we do not want the State Department to consider it in negotiating agreements, we should repeal section 22 of the Agricultural Adjustment Act.

I say to the Senator from Illinois that I do not know whether Mr. Brown is correct in his statement that we will have to renegotiate all our treaties if my amendment should be agreed to. If an extension should become necessary, I suppose we should renegotiate some of our treaties. I do not know that there is anything particularly wrong in that. Possibly some of them should be renegotiated. If we do not carry out the policy of section 22 we may possibly wreck our price-support program.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LUCAS. The only point I want to raise in respect to what the Senator has said is in connection with section 22. I am using the language he used yesterday:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

Mr. MAGNUSON. I want to change it around.

Mr. LUCAS. Certainly. The Senator wants to do just the opposite.

Mr. MAGNUSON. That is correct. In one part of the bill it is said that we should not do it. I say we should do it.

The VICE PRESIDENT. The question is on the amendment of the Senator

from Washington [Mr. MAGNUSON] on which the yeas and nays have been ordered. The Secretary will call the roll.

The legislative clerk proceeded to call the roll, and several Senators voted when their names were called.

Mr. MALONE. Mr. President, because of unavoidable delay, by the weather at St. Paul, I missed the vote on the Young-Russell amendment.

The VICE PRESIDENT. The Senator can make no statement on another matter while the roll call is in progress. The Secretary will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HUNT] and the Senator from Maryland [Mr. O'CONNOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from Utah [Mr. THOMAS] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Ohio would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from California [Mr. KNOWLAND] and the Senator from Ohio [Mr. BRICKER] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Utah would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who is necessarily absent, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New Hampshire would

vote "yea," and the Senator from Alabama would vote "nay."

The Senator from South Dakota [Mr. GURNEY] and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35

Aiken	Flanders	Millikin
Baldwin	Gillette	Morse
Bridges	Hendrickson	Mundt
Butler	Hickenlooper	Murray
Byrd	Ives	Saltonstall
Cain	Johnson, Colo.	Schoeppel
Capehart	Kem	Taylor
Cordon	Langer	Thye
Donnell	McCarthy	Wiley
Downey	Magnuson	Williams
Ecton	Malone	Young
Ferguson	Martin	

NAYS—37

Anderson	Humphrey	Miller
Chapman	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Douglas	Kefauver	O'Mahoney
Eastland	Kerr	Pepper
Fulbright	Kilgore	Robertson
George	Long	Russell
Graham	Lucas	Smith, Maine
Green	McClellan	Stennis
Hayden	McFarland	Thomas, Okla.*
Hill	McKellar	Withers
Hoyer	McMahon	
Holland	Maybank	

NOT VOTING—24

Brewster	Jenner	Sparkman
Bricker	Knowland	Taft
Chavez	Leahy	Thomas, Utah
Dulles	Lodge	Tobey
Ellender	McCarran	Tydings
Frear	O'Connor	Vandenberg
Gurney	Reed	Watkins
Hunt	Smith, N. J.	Wherry

So Mr. MAGNUSON'S amendment was rejected.

Mr. WITHERS. Mr. President, I desire to make a motion to reconsider the vote by which the so-called Young-Russell amendment was rejected.

The VICE PRESIDENT. The Senator from Kentucky moves to reconsider the vote by which the so-called Young-Russell amendment was rejected.

Mr. LUCAS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I to understand the Senator from Kentucky voted for the amendment?

Mr. WITHERS. Yes.

Mr. LUCAS. I make a point of order that the Senator cannot make the motion to reconsider.

The VICE PRESIDENT. The Senator from Kentucky voted on the prevailing side, and therefore is in a position to make a motion to reconsider.

Mr. MALONE. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MALONE. May I have recognition?

The VICE PRESIDENT. If the Senator desires recognition. The question is on agreeing to the motion of the Senator from Kentucky that the vote on the so-called Young-Russell amendment be reconsidered.

Mr. WILLIAMS. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. That motion is not debatable.

Mr. MALONE. Mr. President—

The VICE PRESIDENT. The Chair cannot recognize the Senator at this time, because the motion is not debatable.

Mr. WILLIAMS. I withhold the motion.

Mr. LUCAS. A parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. When I asked him the question, I was under the impression that the junior Senator from Kentucky had advised me he had voted for the Young-Russell amendment.

Mr. WITHERS. I voted against the Young-Russell amendment.

Mr. LUCAS. I misunderstood the Senator. I apologize to him.

The VICE PRESIDENT. The Senator from Kentucky voted against the amendment. He voted on the prevailing side. The amendment was lost by one vote.

Mr. MALONE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MALONE. Is the question before the Senate the motion to reconsider the vote by which the Young-Russell amendment was agreed to?

The VICE PRESIDENT. That is the pending question.

Mr. MALONE. Can a motion be made legitimately—

The VICE PRESIDENT. There is a motion now pending.

Mr. MALONE. I wish to join in the motion to reconsider.

The VICE PRESIDENT. It is not necessary to join in it. Only one Senator can make a motion to reconsider.

Mr. MALONE. I understood the Senator who made the motion was ruled to be out of order because he voted with the prevailing side.

The VICE PRESIDENT. Only a Senator who votes on the prevailing side can move to reconsider, or a Senator who was not present.

Mr. MALONE. I was not present, and I join in the motion.

The VICE PRESIDENT. The question is on the motion to reconsider the vote by which the Young-Russell amendment was rejected.

Mr. WILLIAMS. I move to lay the motion on the table.

The VICE PRESIDENT. The Senator from Delaware moves to lay the motion on the table, and that motion is not debatable.

Mr. WILLIAMS and other Senators asked for the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted "yea" when his name was called.

Mr. DOUGLAS. Mr. President—

The VICE PRESIDENT. The Chair will state the question for the information of Senators. The question is on the motion of the Senator from Delaware [Mr. WILLIAMS] to lay on the table the motion made by the Senator from Kentucky [Mr. WITHERS] to reconsider the vote by which the Young-Russell amendment was rejected.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Georgia will state his parliamentary inquiry.

Mr. RUSSELL. My parliamentary inquiry is: If the motion of the Senator from Delaware should prevail, the Senate would have no opportunity then to vote upon the motion to reconsider, would it?

The VICE PRESIDENT. If the motion of the Senator from Delaware to lay the motion to reconsider on the table should prevail, that would end the motion to reconsider.

The Secretary will continue with the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HUNT], and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New York would vote "yea."

The Senator from Utah [Mr. THOMAS] is paired on this vote with the Senator from Wyoming [Mr. HUNT]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Wyoming would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from New York [Mr. DULLES] who is absent by leave of the Senate is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York

would vote "yea," and the Senator from Alabama would vote "nay."

The yeas and nays resulted—yeas 37, nays 37, as follows:

YEAS—37

Aiken	Flanders	Magnuson
Anderson	Gillette	Martin
Baldwin	Graham	Millikin
Bridges	Green	Morse
Byrd	Hendrickson	Myers
Cain	Hickenlooper	Robertson
Capehart	Hoey	Saltonstall
Chapman	Holland	Schoeppel
Donnell	Ives	Smith, Maine
Douglas	Kem	Thye
Downey	Kilgore	Williams
Eastland	Lucas	
Ferguson	McMahon	

NAYS—37

Butler	Kefauver	Neely
Connally	Kerr	O'Mahoney
Cordon	Langer	Pepper
Ecton	Long	Russell
Fulbright	McCarthy	Stennis
George	McClellan	Taylor
Gurney	McFarland	Thomas, Okla.
Hayden	McKellar	Watkins
Hill	Malone	Wiley
Humphrey	Maybank	Withers
Johnson, Colo.	Müller	Young
Johnson, Tex.	Mundt	
Johnston, S. C.	Murray	

NOT VOTING—22

Brewster	Knowland	Taft
Bricker	Leahy	Thomas, Utah
Chavez	Lodge	Tobey
Dulles	McCarran	Tydings
Ellender	O'Connor	Vandenberg
Frear	Reed	Wherry
Hunt	Smith, N. J.	
Jenner	Sparkman	

The VICE PRESIDENT. On this question the yeas are 37, the nays are 37, which defeats the motion. But the Chair will vote, as he has a right to. The Chair votes "nay."

The question now is on agreeing to the motion to reconsider the vote by which the Russell-Young amendment was rejected.

The motion was agreed to.

The VICE PRESIDENT. The question recurs on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WILEY (when his name was called). I have a pair with the distinguished junior Senator from New York [Mr. DULLES]. If he were present he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Utah would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from California [Mr. KNOWLAND] and the Senator from Ohio [Mr. BRICKER] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from New York [Mr. DULLES] is absent by leave of the Senate, and his pair has been previously announced by the Senator from Wisconsin [Mr. WILEY].

The yeas and nays resulted—yeas 37, nays 37, as follows:

YEAS—37

Butler	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Neely
Cordon	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Ecton	Langer	Russell
Fulbright	Long	Stennis
George	McCarthy	Taylor
Gurney	McClellan	Thomas, Okla.
Hayden	McFarland	Watkins
Hill	McKellar	Withers
Humphrey	Malone	Young
Hunt	Maybank	
Johnson, Colo.	Mundt	

NAYS—37

Aiken	Gillette	Martin
Anderson	Graham	Miller
Baldwin	Green	Millikin
Bridges	Hendrickson	Morse
Byrd	Hickenlooper	Myers
Cain	Hoey	Robertson
Capehart	Holland	Saltonstall
Chapman	Ives	Schoeppel
Donnell	Kem	Smith, Maine
Douglas	Kilgore	Thye
Eastland	Lucas	Williams
Ferguson	McMahon	
Flanders	Magnuson	

NOT VOTING—22

Brewster	Leahy	Thomas, Utah
Bricker	Lodge	Tobey
Chavez	McCarran	Tydings
Dulles	O'Connor	Vandenberg
Ellender	Reed	Wherry
Frear	Smith, N. J.	Wiley
Jenner	Sparkman	
Knowland	Taft	

The VICE PRESIDENT. On this question the yeas are 37 and the nays are 37. Before voting, the Chair would like to ask the Senate for the privilege of doing what a Senator may not do, and that is to explain his vote.

The position of the Chair heretofore has been in favor of support at 90 per-

cent. In every speech he made last year he declared the same position. He cannot now repudiate it and, therefore, votes "yea." [Applause.]

So the amendment offered by Mr. YOUNG for himself and Mr. RUSSELL was agreed to.

Mr. AIKEN. Mr. President, the Senate has now "out-Brannanized" the Brannan plan. The cost of the 90-percent program will be more than the Brannan plan would cost. The controls over the farmers of the United States will be just as much as they would have been under the Brannan plan. The Senate has now voted to discriminate against every cattle raiser, every sheep raiser, every dairyman in the United States. The Senate has voted against the fruit growers, the vegetable growers, and all other agricultural commodity producers except the wheat and cotton producers, who have ganged up successfully on the rest of agriculture in the United States.

With this result, which we now have, and which we in the Senate cannot now reconsider again, it seems to me that the only course left is to vote against this bill; or, if the bill passes, to hope that the President of the United States will do what any good President would be bound to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question at this point?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. The Senator from Vermont has stated that the bill, as just now amended, would cost more than the Brannan plan would cost.

Mr. AIKEN. That is correct.

Mr. SALTONSTALL. Does the Senator from Vermont have any estimate as to what the bill with this amendment in it will cost the Government of the United States?

Mr. AIKEN. The 90-percent-support program for last year increased the obligations of the United States something over \$2,000,000,000 above what they otherwise would have been. This year's crops probably will mean considerably more than that. I daresay that this year's crops will completely exhaust the \$4,750,000,000 borrowing power of the Commodity Credit Corporation. Next year, with 90 percent support, it will be necessary to have controls and penalties over the producers of all the basic commodities, if we are not to increase the cost away beyond anything we have ever seen so far.

Let me read again the statement of the Secretary of Agriculture as to what the effect of continuing rigid 90 percent supports another year will be. In answer to the question—

Is not the Congress likely to continue the 90 percent of parity without doing anything else?

Secretary Brannan said:

If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far. Another year of big production, with the present program continued, would show so much money involved in farm programs that I do not think any taxpayer could stand it.

Mr. President, it is my own opinion—purely my own opinion, but I think I have some experience upon which to base it—that we should make available another \$5,000,000,000 to the Commodity Credit Corporation if we expect the rigid 90 percent support program to be carried on another year.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Will the program, including the amendment which has just been adopted, increase the cost of living—particularly the cost of food to consumers—and keep it up on a higher level than might otherwise be the case?

Mr. AIKEN. My answer is, "Yes," because unless we are to incur expenditures for supports far beyond anything dreamed of so far, it will be necessary to restrict production. Of course, restricted production does not help the consumers.

Mr. President, I realize that there are those who will take exception to the remarks I have just made; but I should like to have every farmer in the United States take the RECORD of this day's action by the Senate and fasten it up somewhere in his barn, along with the record of the vote, and then look back at it, 2 or 3 years hence, because I am satisfied that today the Senate has taken action which will start the downfall of farm commodity price-support programs in the United States.

Mr. YOUNG. Mr. President, I am sorry to disagree with my good friend, the Senator from Vermont. The Brannan plan would give rigid support levels for wheat at \$1.86 a bushel. The Anderson bill, at the end of the transitional period, which would be reached in about 2 years, would give wheat support at \$1.71 a bushel, and that would be only when acreage control or quotas were imposed. That is a reduction of 23 cents a bushel over the present support price. Only a little over a year and a half ago wheat was selling at about \$3.50 a bushel.

I notice that in the East, about which the Senator from Massachusetts [Mr. SALTONSTALL] has spoken, the price of bread has not dropped 1 cent a loaf. After a 50-percent drop in the price of wheat, I think the price of bread in Boston could drop at least half a cent a pound. The consumers in the New England States will get wheat much cheaper than they have gotten it in the past.

Oats are only 60 cents a bushel, whereas they were \$1.25 a bushel 2 years ago.

The amendment will apply only to basic commodities when they are under acreage controls or quotas.

Mr. THYE. Mr. President, I move to amend the bill—the Anderson bill—so as to make price supports mandatory on pork, poultry, eggs, and turkeys, at from 90 to 75 percent of parity.

The VICE PRESIDENT. Will the Senator submit the amendment in writing, so that it can be stated by the clerk?

Mr. THYE. The amendment has not been prepared in writing; I have just stated it.

The VICE PRESIDENT. Where does the Senator from Minnesota intend to

have the amendment inserted in the bill? Does he wish it to be inserted wherever such language would be appropriate?

Mr. THYE. I wish to have it inserted in the most appropriate place in the bill where such language can be inserted.

The VICE PRESIDENT. The Chair understands that the amendment provides that the words "pork, poultry, eggs, and turkeys" are to be inserted as an amendment.

Mr. THYE. The amendment would insert provision for mandatory support of pork, poultry, eggs, and turkeys at from 90 to 75 percent.

The VICE PRESIDENT. They are to be included in the mandatory support provisions; is that correct?

Mr. THYE. That is correct.

The VICE PRESIDENT. At from 90 percent down to 75 percent of parity. Is that correct?

Mr. THYE. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, the amendment has been laid before the Senate.

I now yield the floor.

Mr. LUCAS. Mr. President, this is exactly what I thought would happen in event the other amendment was adopted. It is impossible to defend the previous action, unless one goes along with what the Senator from Minnesota is now saying.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. LUCAS. I yield.

Mr. THYE. The majority leader is entirely correct. That was the reason for my offering the amendment. The Senator is right. If there is any justification for doing what we have done this afternoon, certainly we must protect that which produces the major portion of our agricultural income, and that can well include pork, poultry, eggs, and turkeys. That was the reason I offered the amendment.

Mr. LUCAS. There is no reason why any other Senator who has some peculiar commodity which he thinks needs supports should not offer an amendment and have it included in the bill. We would be getting right back to where we were, to the wartime supports, and would be supporting everything at 90 percent. That seems to be the trend in the Congress. If it is desired to do that, then, regardless of what the commodities are, let us support all of them, the 126 agricultural commodities, regardless of how much is produced, turn everything loose, and give them a 90-percent support price. Then, Mr. President, see what happens to the farm program in about 2 years from now.

The thing that surprises me is, the economy-minded Senators upon my side of the aisle, and some Senators on the other side of the aisle, who are constantly talking about economy in Government, and have been doing so all through the session, who have no hesitancy in getting off the economy band-

wagon—no hesitancy whatever. When they are concerned with price supports on products grown in their own communities they bring up all this tommy rot about economy, and they try to force the majority leader to do a great many things with respect to resolutions of one kind and another; yet, when the time comes to support the basic commodities under a guaranty of 90 percent, Senators do not hesitate to take care of their people, the people in their own communities, with that kind of a proposition, regardless of what the cost may be in the future.

Mr. President, I live in the heart of the corn-growing section of the country, where we produce a good deal of corn, soy beans, where we raise hogs and cattle, and so forth. The farmers in my section of the country are not a selfish group. They want to save the basic agricultural program that was initiated by a Democratic administration in 1935. They are willing to make sacrifices in order to save the fundamentals and the basic principles of that program. There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. In the pending bill there is provided an increase of 6 percent as a result of adding labor to the cost of parity, and now the proposal is offered to support at a high level practically everything—to kill the farm bill. That is what some people want to do—to kill farm supports. Public opinion will not stand up under the constant pressure of taking money from the Treasury of the United States as we have been doing on the chicken program and the egg program and the potato program. The same thing will be done in respect to many other things, before we get through, if this kind of bill becomes the law of the land.

I believe I know something about my section of the country. I cannot speak for any other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during war times we adopted the Steagall amendments supporting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue. As far as my section of the country is concerned, the 90 percent of parity had little or nothing to do with the election of Mr. Truman in Illinois. The thing that elected him or did more to assist him than anything else in that section of the country was the fact that there were no storage facilities to take care of the corn that had been produced. I believe I know something of the political situation in down-State Illinois, in respect to whether 90 percent of parity was the prevailing theme in the campaign. Definitely, it was not the theme in Illinois.

I offer a suggestion to the distinguished Senator from New Mexico, who, I think, knows more about agricultural

questions and problems than any other man in America today, barring none. I suggest to him that he take every amendment to conference, regardless of what the amendment is; that he take the bill to conference, to see what can be done there.

Mr. ANDERSON. Mr. President, I subscribe in principle to what my distinguished colleague has said about the amendment offered by the Senator from Minnesota. Certainly the Senator from Minnesota, by his work on the committee, has demonstrated that his first interest is in presenting to the country a decent and sensible farm bill. I commend the distinguished senior Senator from Minnesota for his work in that regard.

I cannot subscribe to the amendment that has just been offered. Bad as the bill is going to be, I hope to salvage something out of it by the possibilities of going to conference. But I am delighted that the distinguished majority leader talked for a moment about economy. These measures look different when we are voting glibly, round by round. But let me remind the Senate that the vote today on corn alone, represents \$600,000,000 every year the bill continues in effect. People have been talking about cutting salaries and cutting expenses, 5 percent here, 10 percent there. Then, a thing that would cost \$600,000,000 is suggested without the batting of an eye. The wheat cost will be about \$250,000,000 a year. I do not know exactly what the cotton cost will be, but certainly it will increase the price of cotton $3\frac{1}{2}$ cents a pound, \$17.50 a bale. If we have 15,000,000 bales—we will have at least 14,000,000 bales—but if we have 15,000,000 bales, that will cost the Government \$250,000,000. The tragedy of it is that every time the prices are raised, all the private trade is taken out of the market. The producers are unable to wait forever. They merely say, "Let the Government have it. We will get it out of the Government loan, when the time comes."

The vote already taken today will cost at least \$2,000,000,000, perhaps more.

The Senator from Vermont is as right as he can be when he suggests the first order of business ought to be to increase the borrowing power of the Commodity Credit Corporation by \$5,000,000,000, because if the bill stays on the books, if the amendment, as now placed in the bill could be enacted into law and remain on the books 3 years, it would use the \$5,000,000,000 and all that remains.

I hope the Senate, much as I admit the fairness of all the Senator from Minnesota has proposed, will not accept his amendment. I grant it may be justified.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. I offered the amendment because hogs are listed in thirteenth place in the United States agricultural economy. Peanuts are included in the basic guaranty of 90 percent. We cannot find peanuts in the first 17 commodities in the agricultural economy of the Nation; they are not listed among the first 17 products. Rice is included as receiving 90 percent mandatory support. Rice is not to be found among the first

17 agricultural commodities listed as important in the agricultural economy of the Nation. Poultry and eggs are listed fourth in our national agricultural economy, with pork third. Turkeys are certainly important in the agricultural economy.

So I say, Mr. President, if there is any justification in guaranteeing support to peanuts and rice, when they are not placed anywhere near the top in our national agricultural economy, why am I not justified in asking for consideration for pork, poultry, eggs, and turkeys?

Mr. ANDERSON. I suggest to the Senator from Minnesota that he has been entirely too modest. He asks that these products be put into the 75-to-90-percent pattern. He should have demanded that eggs be supported 90 percent. Is there any Senator here today in whose State eggs are produced who voted to raise the support price on peanuts and did not vote to raise it on eggs? If we give 90-percent support to eggs it will cost the Government \$150,000,000 a year.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Did I correctly understand the Senator to say that the Commodity Credit Corporation will have to have \$5,000,000?

Mr. ANDERSON. In 3 years.

Mr. YOUNG. Would the Senator care to make an estimate as to how much it would amount to if the Brannan plan should go into effect, when it provides 15 cents more a bushel for wheat and 9 cents more a bushel for corn?

Mr. ANDERSON. I want to say to the Senator from North Dakota that we shall discuss those figures when we get to the Brannan plan, as we shall be discussing it if we require tremendous quantities of surpluses to be held in warehouses, because people will begin to talk about the disposal of surplus commodities, and we shall make a very good case for the persons who want to talk about it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. If this amendment should become law, along with the amendment which has just been adopted, will it ever be possible for the consumer to get lower prices?

Mr. ANDERSON. It will be possible, because there will always be a day when Congress can rectify this sort of thing. If the Senate will pardon a personal reference, I left the Department of Agriculture with 15,000 bales of cotton on hand. We had tried to get rid of the cotton, and we had got rid of it except the amount which was required to be shipped back and forth across the country. We cleaned our shelves. Today there are 19,000,000 bales of cotton, 5,000,000 bales of which are in carry-over. Next year we shall have 9,000,000 bales in carry-over. What will the cotton farmer do? He will do the same as have the potato growers. He will say, "Every inch of ground I have must be fertilized in order to plant more cotton."

Did not the distinguished Senator from Kentucky [Mr. CHAPMAN] remark that the production of tobacco had increased to 1,300 pounds to the acre? Why is that? Because the price is extremely good, and with respect to tobacco we have been able to enforce controls. There is not a Senator who does not know that our experience with wheat and corn has been uniformly tragic and disastrous.

I am making this statement because there will be persons who will wonder why 37 Senators apparently voted against the best interests of the farmer, although we may say that the farmers, with the exception of one organization, recognize that 90 percent of parity will break the whole program. The American Farm Bureau Federation, the National Grange, and every other group except one, have realized that the constant purchase of dried-egg powder at \$1.26 a pound, in order to store it away in a warehouse until we get 70,000,000 pounds which we cannot use, is not the last word in human wisdom.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. If Senators who have voted against the amendment will follow the advice of the majority leader and vote for the bill on final passage with the hope that the Senator from New Mexico can take it to conference and get a proper bill, can the Senator from New Mexico give us definite assurance that if he fails in conference to get a suitable bill, he will bring it back to the floor of the Senate so that we shall have an opportunity to vote against the conference report if at that time we do not have the kind of bill we should have?

Mr. ANDERSON. My distinguished friend starts out with a number of hypotheses which I cannot answer. In the first place, I am at the very foot of the list of Members of the Senate Committee on Agriculture and Forestry, and there is no assurance that I shall attend the conference. I say to the Senator that there is no assurance as to what will come out of the conference. The last conference in which I took part went on day after day and finally ended up with what I suppose should be called a "dog fall."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. The Senator stated in answer to a question of mine a few moments ago that prices to the consumer might be reduced in the future because of future congressional action. Does he mean by that answer that every bit of food which the consumer in any industrial community must buy will be either under quota or such price control that future congressional action must be taken before we can expect a price reduction?

Mr. ANDERSON. No; I did not mean that. I meant something similar to that which happened in 1924 or 1925, when there had been a great wave of veterans' legislation, and along came the Economy Act and wiped out much of it. We can

pass bills, raise the costs, and provide for price supports for almost every commodity, but the day will come when we shall have to answer to the American taxpayers if we put all these commodities under control.

Mr. SALTONSTALL. If the amendment of the Senator from Minnesota, plus the amendment of the Senator from North Dakota and the Senator from Georgia, are in the bill, it means that the cost of living to the average consumer will be practically stabilized by Government supports, does it not?

Mr. ANDERSON. I do not want to answer that, because I do not know.

Mr. SALTONSTALL. Why is it not a fair question?

Mr. ANDERSON. I think it probably might be stabilized. I am not nearly so much worried about that as I am about the final loss of the farm program. I can see that today we have taken the first step toward destroying the farm program. It has made the farmer more prosperous and it has made industrial areas prosperous. I hope we recognize that as we move along. There can be, in my opinion, no greater disservice to the farmers of the Nation than to saddle them with fixed, rigid 90-percent supports year after year, from now on.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. If this bill should become law in its present form, in an effort to be fair to the farmer are we not being unfair to the consumer?

Mr. ANDERSON. I do not think the bill will become law in this form. I think it has brought back again the alternative we had sometime ago of letting the Aiken bill become effective January 1 or adopting some new program. I do not believe this bill can become law. I should be greatly surprised if it could. I think there are differences between the House and the Senate which it would be difficult to reconcile, and I cannot imagine, in view of the Budget situation, that the Congress would feel that this is a good bill for the President to sign.

Mr. CHAPMAN. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CHAPMAN. The Senator referred a moment ago to a remark I made yesterday about the tobacco program, and he also discussed the price support program in relation to tobacco.

At this time I should like to remind the Senate that the Treasury of the United States has never sustained a loss of a single dollar as a result of the tobacco support program. It is one product which ultimately pays approximately a billion and a half dollars of revenue into the Treasury.

Mr. ANDERSON. Mr. President, one of the reasons why I was almost willing to accept the amendment of the Senator—I did not accept it, but I was going to say that it was not a bad amendment—was because the people who produce tobacco found ways of controlling tobacco, and the Senator from Kentucky was taking a brave step yesterday. He was stating that tobacco allocations already had

been cut to nine-tenths of an acre, and should be reduced still further to five-tenths of an acre in order to bring harmony. I say that is a good step, it is a step in the right direction, it is a step in which controls should be applied.

Mr. President, I did not intend to go into a long discourse, but I believe the Senate should realize that it is not merely a minor action it has taken. It runs into the billions of dollars at a time when the Bureau of the Budget is trying to attain economy.

I am glad to say that whatever the Committee on Agriculture and Forestry, and the subcommittee which studied the bill, did, was in an effort to find something which would not suddenly develop extremely high supports. I am happy there have been 37 Senators this afternoon who believe that what was recommended might have been a good step and one in the right direction.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. The Senator from New Mexico knows I had intended to be in opposition to the amendment offered by the Senator from Minnesota, believing that the support for animal products, with the exception of milk and butterfats, should be left entirely flexible, so that the Secretary could at all times keep the prices of animal products in line with the prices of grain. However, by the action this afternoon we have put the price of grain at a fixed high elevation, and have completely unbalanced the situation as between animal products and grain products. Therefore the only thing I wish to do now, in fairness to the producers of poultry products, dairy products, and meat animals, is to accept, on my part, the amendment of the Senator from Minnesota.

Before I conclude, I wish to say that no one ever worked harder to produce good legislation for the farmers of America than has the Senator from New Mexico. I agree with the Senator from Illinois, who has also conscientiously helped toward a permanently prosperous stabilized agriculture. The Senator from New Mexico probably is in a better position to know what is a good farm program than anyone else in the United States today.

The Senator from Minnesota [Mr. THYE] also worked very hard to keep the farm program on an even balance, so that it would not be lost to us.

I know that there is some opposition to the 1948 law because my name was connected with it. Personally I care little what title is given a law so long as it is a good law. We had a very hard fight last year to get the House to agree even to let any permanent legislation go on the books. As a matter of fact, the present chairman of the House committee and the present ranking member on the majority side of the House committee never did sign the conference report, even though failure to pass that law last year meant going back to 52 percent support for the farmers.

I do wish to take this occasion to pay a deserved tribute to the Senator from New Mexico for his nonpartisan and very diligent though possibly futile efforts in

behalf of the farmers of the United States.

Mr. THYE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. THYE. At this point I thank the very able and distinguished former Secretary of Agriculture, now one of our colleagues in the Senate, the Senator from New Mexico [Mr. ANDERSON], for the sincere, unbiased, impartial, hard service he has rendered in the development of the bill which has been under consideration yesterday and today. The only reason why I offered the amendment I have presented to the bill was that, looking over the cash farm income for specific commodities, and the total percentages the various commodities contribute to the national agricultural income, I find that cattle and calves are listed at the top. They total 16.5 percent; dairy products, 14.5; hogs, 13.2; poultry and eggs, 9.9; wheat, 9.9. Cotton lint is next with 6.8. Then come the truck crops, followed by corn, tobacco, fruit, potatoes, soy beans, cottonseed, sheep and lambs, citrus fruits, oats, and flaxseed. The flaxseed is figured in the seventeenth place in our national agricultural income.

Mr. President, I ask that this list be printed in the RECORD, in order that all Senators may read it.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Cash farm income from specified commodities: Total and percentage distribution, United States, 1948

Commodity	1948 ¹	
	Cash receipts	Percentage of total
	Millions of dollars	
Cattle and calves.....	5,131	16.5
Dairy products.....	4,507	14.5
Hogs.....	4,110	13.2
Poultry and eggs.....	3,061	9.9
Wheat.....	2,767	8.9
Cotton lint.....	2,126	6.8
Truck crops.....	1,228	4.0
Corn.....	1,673	3.5
Tobacco.....	1,012	3.3
Deciduous fruits.....	901	2.9
Potatoes.....	499	1.6
Soybeans.....	475	1.5
Cottonseed.....	402	1.3
Sheep and lambs.....	402	1.3
Citrus fruits.....	287	.9
Oats.....	273	.9
Flaxseed.....	267	.9
Total cash receipts, all commodities.....	31,019	100.0

¹ Preliminary.

Source: Bureau of Agricultural Economics.

Mr. ANDERSON. Mr. President, I wonder if the Senator from Minnesota will not put his amendment in some spot where I think it should belong, in title II, item (c) where the price of whole milk is supported. Did the Senator mean to put it under basic commodities?

Mr. THYE. At the time I offered the amendment I said I would like to have it appear in the bill at the appropriate place, and the most appropriate place would be following dairy products, I think.

Mr. ANDERSON. Line 20, on page 4, after the word "butterfat," I am merely trying to put it in a place; I am still not happy about it.

Mr. THYE. This amendment was drawn by Mr. Harker T. Stanton, assistant counsel in the Office of the Legislative Counsel of the Senate, and it proposes on page 4, line 8, after the word "potatoes", to insert a comma and the following:

Hogs, eggs, turkeys, other poultry.

On page 5, line 6, to strike out the period and insert a semicolon.

On page 5, between lines 6 and 7, to insert the following:

(d) The price of hogs, eggs, turkeys, and other poultry, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 percent nor less than 75 percent of the parity price therefor.

Mr. ANDERSON. Mr. President, I do not care to detain the Senate; therefore, I hope we shall have a vote.

Mr. MORSE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon wishes to know if he correctly understands the Senator from New Mexico. Is it the opinion of the Senator from New Mexico the so-called Russell-Young amendment, adopted by the Senate this afternoon, discriminates unfairly against those segments of American agriculture not covered by the amendment?

Mr. ANDERSON. I think it would. I had not put it in just that way, but any time when we require 90 percent supports on all the basics, there is no money left for anything else.

Mr. MORSE. Mr. President, I wish to pay the Senator from New Mexico [Mr. ANDERSON], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE], my sincere compliments for the leadership and the statesmanship they have exhibited throughout the consideration of a new farm-program bill in this session of Congress. I have followed their leadership, because I thought it was sound, and that they were placing the interests of the people of the United States above the selfish interests of any particular segment of agriculture.

Mr. ANDERSON. I thank the Senator.

Mr. MORSE. Because I think the amendment which has been adopted is discriminatory in an unfair way against other segments of agriculture, I have sent to the desk an amendment which provides that a mandatory support price of 90 percent of parity shall be provided for fruit, tree nuts, and fish, including shellfish, because I think it is only fair to have a uniform program in respect to

these agricultural products. I shall be very glad at any time to withdraw my amendment if we can get back to a principle of uniform treatment for all segments of American agriculture. I completely agree with the Senator from Vermont [Mr. AIKEN] that this afternoon we have permitted by action of the Senate certain segments of agriculture to have legislation discriminatory in their favor. But I shall press for the adoption of my amendment in the interest of uniform treatment to all sections of the country.

Mr. BALDWIN. Mr. President, will the Senator from New Mexico yield to me so that I may ask a question of the Senator from Oregon?

Mr. ANDERSON. I would prefer to yield the floor. However, I will yield to the Senator for that purpose if he desires.

Mr. BALDWIN. Mr. President, I simply wanted to ask the Senator from Oregon if in his amendment covering fruit, fish, and so forth, he included lobsters, clams, and oysters? I presume the term "shellfish" would include lobsters, clams, and oysters.

Mr. MORSE. The words "all fish, including shellfish" include oysters and clams.

Mr. BALDWIN. Would they include lobsters?

Mr. MORSE. I am not an expert on fish, but I would say that under the terms of my amendment the words "all shellfish" would include lobsters.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LANGER. Does the Senator's amendment also include spring lambs and mutton?

Mr. MORSE. I think they are already covered.

Mr. HOLLAND. Mr. President, I think every Senator is entitled to and should vote his opinions on a matter of this kind, and I have nothing but respect and consideration for the vote cast by any and every Senator. At the same time, since the adoption of the amendment a situation is created under which I feel that I should and will vote against the bill with the amendment in it. I feel that perhaps a brief statement should be in the RECORD to indicate clearly just what my feelings are upon the matter.

In the first place, I should like to place in the RECORD, Mr. President, with unanimous consent, a table prepared by the staff of the Senate Committee on Agriculture and Forestry, of which I am cutting out all but three of the tables which, in parallel columns, show for each of the basic agricultural commodities the figures for next year first, under the Gore bill as passed by the House; second, under the Aiken Act, or title II of the bill passed last year; and, third, under the so-called Anderson bill which was reported to the floor of the Senate and is now under debate. Mr. President, I ask unanimous consent that the table may be placed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified commodities: Estimated maximum support levels for 1950 based on parity index for July 15, 1949, and estimated average prices received by farmers, 1940-49

Commodity	Unit	90 per cent present parity (Gore bill)	90 per cent title II 1948 act (Aliken Act)	90 per cent title II 1948 act including wage rates (Anderson plan)
Basic commodities:				
Wheat.....	Bushel.....	\$1.94	\$1.84	\$1.84
Corn.....	do.....	1.41	1.34	1.36
Cotton.....	Pound.....	.2723	.2587	.2587
Rice.....	Bushel.....	1.78	1.96	2.07
Peanuts.....	Pound.....	.105	.100	.100
Tobacco:				
Flue-cured.....	do.....	.422	.428	.453
Burley.....	do.....	.410	.435	.460

Mr. HOLLAND. Mr. President, and Senators, without attempting to quote in great detail from that table, I merely want to call to the attention of the Senate the fact that in two of the basic agricultural commodities out of six the action which has been taken here by the Senate means that the wartime support prices as they would have applied under the Gore bill will be much greater for those two particular commodities in the next year's production than would even have been true under the Gore bill. The two commodities I mention are rice, which instead of being \$1.78 per bushel as it would have been under the Gore bill, will be \$2.07 per bushel.

Tobacco, both flue-cured and burley. Flue-cured, instead of 42.2 cents as it would have been under the Gore bill, will be 45.3 cents, and burley, instead of being 41 cents, as it would have been under the Gore bill, will be 46 cents. I call attention to these figures, and, along with them, to the figures applicable to wheat, corn, cotton, and peanuts, which are not quite so large under this program as they would be under the Gore bill, though they are larger than they would have been under any other plan that has been proposed.

I do this because it should be perfectly manifest to the Members of the Senate and to the public that the support of the agricultural program upon a basis of that kind means clearly three things. First, the discrimination which has been mentioned here already upon the floor, because if there are large crops in these various basic commodities, there is no way in the world to support them with anything like the funds that have customarily been made available by Congress except by leaving nothing whatever for all the crops which are not under mandatory support prices.

Mr. President, we people who have raised tree crops and vegetable crops have gotten used to going along without any support prices, but nevertheless we had hoped that the new day which was promised through this bill would have a greater meaning to the producers of about 10 percent of the agricultural volume of the Nation, who produce fruits

and vegetables, and that we would have some active, some real help under this program.

I think it would be wholly illusory for anyone to think for a moment that with a support price list for the basic commodities of the type shown here, and which has just been voted by the Senate, there would be any hope whatever within the amount of any contribution which will be made by the Federal Government or appropriations which can be passed here for the support of fruits or vegetables and many other important crops which are not within the category of basic agricultural commodities.

So in the first place, Mr. President, I shall vote against the bill as amended, because I think it is highly discriminatory. It is more discriminatory than the measure which we passed last year against the chance to secure a little part in the national farm agricultural program for those millions of growers who are not producing basic agricultural commodities.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. In trying to be fair to every farmer, is not the bill in its present form, if the amendment of the Senator from Minnesota [Mr. THYE] is adopted, being utterly unfair to the consumer?

Mr. HOLLAND. Mr. President, the Senator is exactly correct, and I was coming to that point later in my remarks.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. Permit me to complete my answer. At least in the judgment of the junior Senator from Florida the amendment adopted is, of course, highly unfair to the consumers of the Nation.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I do not understand how the senior Senator from Massachusetts could charge the bill to be absolutely unfair to the consumers, because the amendment I have offered relating to pork, poultry, eggs, and turkeys only calls for a mandatory support from 75 percent as the minimum, up to 90 percent. In my opinion that certainly is absolutely fair and reasonable; because we start out with a minimum of 75 percent and go up to 90 percent, whereas other proposals make it mandatory that the support is absolutely 90 percent. I was talking entirely about some of the commodities which are very high in the list of the national agricultural income. I think my amendment contains very reasonable requirements when compared with other items.

Mr. HOLLAND. Mr. President, I certainly want to make it clear that in no sense did I mean to infer in the slightest that the support program on the commodities mentioned by the senior Senator from Minnesota in a range of 75 to 90 percent of parity as defined in the Anderson bill, is unfair to consumers. I was speaking instead—and I believe the senior Senator from Massachusetts so understood me—about the program as it

affects the basic agricultural commodities under the amendment which was just adopted a short while ago.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. In answer to the Senator from Minnesota I wish to say that I had utterly no criticism to make of him. I had in mind what the situation of the consumer would be if all the amendments proposed were adopted. The Senator from Oregon has offered an amendment, and the Senator from Minnesota has offered an amendment, in an effort to try to get a bill which would be fair to the farmer. If all these amendments are placed in the bill, does not the bill then become unfair to the consumer? That is my question.

Mr. THYE. I thank the Senator for clarifying his statement.

Mr. HOLLAND. Mr. President, if I may continue my statement, I shall try to make it brief.

In addition to being discriminatory, may I say that this program, in my opinion, will result in the greatest degree of regimentation which has ever been imposed upon the producers of basic agricultural commodities. For that reason I oppose the program as amended, and will vote against the bill as amended.

This is not a temporary program. This is a permanent program. It is guaranteed not on the basis of 1 year. It is absolutely impossible for the Federal Government to support a program of this size without bringing about a need eventually—and I think it would be very soon—for a restriction of production and a very careful regulation of production which would bring a regimentation to the producers of basic commodities such as I believe no real farmer wants. If there has ever been any group in our Nation who are independent individualists, it is the farmers. I take off my hat to them. In my opinion, this program will bring to them a degree of regimentation such as they have never suffered before, and such as no farmer has wanted to endure. That is the second reason which I think makes this bill such that I must vote against it.

In passing let me say that I fully and completely approve of the statement made a few minutes ago by the distinguished chairman of the subcommittee, a former distinguished Secretary of Agriculture, who I think has done a wonderful job in supplying leadership for working out this bill. His statement was to the effect that every responsible farm group and farm leader in this Nation, with the exception of one—and I think he meant the National Farmers' Union—believes that such a program as that included within the amendment which was adopted, is unsound, unsafe to the Nation, and particularly dangerous to the farmers themselves.

I call attention to the fact that every member of the Committee on Agriculture and Forestry, and I believe every Member of the Senate, has in his file very specific expressions on this subject from the National Farm Bureau Federation, the National Grange, and the National Council of Cooperatives. I

think there cannot be the slightest doubt that those who have the real right to speak for agriculture as it is organized, and as it is fighting for the rights of the farmers from one end of the Nation to the other, have spoken out in no uncertain way against the adoption of the amendment which was adopted a short while ago.

The third point I wish to make is this: I realize that these points cannot all be operating at the same time. For example, if a high degree of regimentation is imposed, we may meet the first point I made, about the over-great expense and the discrimination which results. But one or the other of those things will undoubtedly result. However, the third point is bound to result in any case, in my humble judgment. It is for that added reason that I wanted to make this statement for the RECORD. I refer to the point which was brought out by the question of the senior Senator from Massachusetts [Mr. SALTONSTALL], namely, that the rights of the consumers, the citizens from one end of this country to the other who live upon the products produced by our farmers and who clothe themselves with the products of our farms, are going to have to pay larger prices because of such an artificially high, continuing, permanent, inflexible support program such as the one which has just been adopted.

So with great respect for those who differ with me, and conceding to them good conscience and the right to express that conscience in their vote, I wished to make this statement for the RECORD. I believe the Senate has just made a tragic mistake, and I believe that events will so show clearly as we move along into the future.

Mr. President, earlier in the afternoon I discussed with the Senator from New Mexico the question whether or not he would accept an amendment to section 413, which now reads as follows:

Determinations made by the Secretary under this act shall be final and conclusive.

At that time I stated that in my opinion this was conferring upon the Secretary of Agriculture entirely too much power. We had practically agreed on an amendment which would circumscribe his power. I do not feel now that I can offer that amendment at this time, because in view of the action the Senate has taken this afternoon, we might just as well recognize the fact that the Secretary of Agriculture must have the power of a dictator in order to carry out the 90-percent parity program the Senate has just approved. Therefore, much as I dislike to confer upon him such power I do not see how we can cut it down. I think we should tell the American farmers frankly that if they are to have a 90-percent support level projected over the indefinite future, it will mean the regimentation of every farm in America. I think that unless we are willing to confer upon the Secretary of Agriculture the power to carry out the provisions of this program, we cannot afford to adopt it.

Last year the Senate included in the Aiken bill a provision extending the 90-percent parity formula through the calendar year 1949. Now in order that the Senate might know how this has resulted in the excessive accumulation in Government storage houses of agricultural commodities I shall quote from the June 30, 1949, report of the Commodity Credit Corporation.

On June 30, 1948, the inventories of the Commodity Credit Corporation were a little more than \$247,000,000. During this year of operations under the 90-percent support formula, the purchases of the Commodity Credit Corporation were such that it was left on June 30, 1949, with an inventory of \$1,132,531,000, or an increase of approximately \$1,000,000,000. Since June 30, they have still further increased our inventories until today I understand they are over \$3,000,000,000.

As the Senator from New Mexico pointed out, we might just as well be

ready to extend additional borrowing power to the Commodity Credit Corporation of many billions of dollars during the next 2 or 3 years if we are to carry out this program maintaining the 90-percent parity.

Speaking of economy, I agree with the Senator from Illinois [Mr. Lucas]. We might as well stop talking about economy if we are going to project a 90-percent price-support level on agricultural commodities into the indefinite future.

Mr. President, I come from a State which is looked upon by many as being an industrial State. What is often overlooked is that Sussex County in the southern part of our State ranks third in agricultural production among counties east of the Rocky Mountains.

I think I know the farmers in my State. They do not want a gift from the Government. They are not asking for any subsidies. I believe that the Government does have an obligation to safeguard the interests of the American farmers, but it has always been my contention that a support price on any agricultural commodity should never exceed the cost of production and all farmers, regardless of geographical location or type of crops produced, must be treated on a basis of equality. I do not believe that the support price of any agricultural commodity can successfully be maintained above the cost of production without the adoption of strict acreage controls and the complete regimentation of the American farmer and the loss of his freedom.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the list of commodities which, as of June 30, 1949, the Commodity Credit Corporation has been forced to buy and accumulate during the previous fiscal year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity inventories and commodities under contract to purchase as of June 30, 1949

A. COMMODITY INVENTORIES

Program, commodity branch, and commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Price support program:					
Cotton:					
American-Egyptian.....	32	Bale.....	\$7,107.24		\$7,107.34
Upland.....	459	do.....	49,160.14		49,160.14
Flax fiber.....	235,728	Pound.....	110,825.73	\$37,700	73,125.73
Dairy:					
Butter.....	6,386,177	do.....	3,766,559.51		3,766,559.51
Milk, dried.....	83,410,414	do.....	10,339,342.94		10,339,342.94
Fats and oils:					
Flaxseed.....	17,524,698	Bushel.....	109,725,121.15	43,617,600	66,103,121.15
Linsseed oil.....	293,835,870	Pound.....	81,895,696.16	29,533,000	52,362,696.16
Peanuts:					
Farmers' stock.....	72,639,445	do.....	7,994,529.27	1,685,000	6,309,529.27
Shelled.....	14,726,353	do.....	2,436,548.38	442,000	1,994,548.38
Soybeans.....	10,343,048	Bushel.....	25,674,268.03		25,674,268.03
Fruit and vegetable:					
Fruit, dehydrated or dried:					
Prunes.....	10,756,200	Pound.....	919,312.32	117,600	801,712.32
Raisins.....	4,150,080	do.....	387,636.78	6,000	381,636.78
Potato starch.....	10,636,258	do.....	600,755.18	402,000	198,755.18
Grain:					
Barley.....	24,934,271	Bushel.....	33,204,949.40	5,348,000	27,856,949.40
Beans, dry edible.....	4,824,860	Hundredweight.....	39,807,151.77	6,417,600	33,390,151.77
Corn.....	5,648,231	Bushel.....	9,925,813.94	1,130,000	8,795,813.94
Grain sorghum.....	13,659,380	Hundredweight.....	37,736,605.61	9,562,000	28,174,605.61
Oats.....	9,880,619	Bushel.....	7,780,929.63	1,482,000	6,298,929.63
Peas.....	402,821	Hundredweight.....	1,943,162.69	624,000	1,319,162.69
Rice.....	10,744	do.....	44,713.66	9,200	35,513.66
Rye.....	777,690	Bushel.....	1,128,304.73		1,128,304.73
Seeds, hay and pasture.....	725,422	Pound.....	144,898.24		144,898.24
Wheat.....	227,178,163	Bushel.....	529,281,549.82	56,795,000	472,486,549.82

Commodity inventories and commodities under contract to purchase as of June 30, 1949—Continued

A. COMMODITY INVENTORIES—continued

Program, commodity branch, and commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Price support program—Continued					
Livestock:					
Wool:					
Appraised.....	1 71,509,623	Pound.....	\$62,298,136.90	\$9,859,000	\$65,845,008.03
Unappraised.....	24,510,619	do.....	13,405,871.13		
Poultry:					
Eggs:					
Dried.....	63,183,456	do.....	81,328,091.27	38,983,000	42,345,091.27
Liquid or frozen.....	3,939	do.....	1,269.69	1,150	119.69
Tobacco:					
Naval stores:					
Rosin.....	210,875,650	do.....	17,017,619.76	3,163,000	13,854,619.76
Turpentine.....	3,409,990	Gallon.....	1,856,066.11	509,000	1,347,066.11
Tobacco.....	2 3,534,420	Pound.....	952,476.49		952,476.49
Total price-support program.....			1,081,764,473.77	209,722,650	872,041,823.77
Supply program:					
Dairy: Milk, dried.....	69,104,456	Pounds.....	8,825,798.49		8,825,798.49
Fats and oils:					
Cottonseed oil.....	10,010	do.....	3,273.95		3,273.95
Soybean oil.....	4,733,545	do.....	678,196.38		678,196.38
Soybeans.....	70,650	Bushels.....	170,835.06		170,835.06
Fruit and vegetables: Flour, potato.....	1,425,900	Pounds.....	99,759.11		99,759.11
Grain:					
Barley.....	8,106	Bushels.....	29,021.54		29,021.54
Flour, wheat.....	14,977,900	Pounds.....	694,695.90		694,695.90
Rye.....	499,463	Bushels.....	814,659.68		814,659.68
Sorghum starch.....	3,900,000	Pounds.....	144,300.00		144,300.00
Wheat.....	5,078,146	Bushels.....	12,727,724.87		12,727,724.87
Livestock:					
Lard and other animal fats.....	6,567,226	Pounds.....	480,347.36		480,347.36
Mexican meat, canned.....	90,628,873	do.....	26,073,088.66		26,073,088.66
Pork, salted.....	219,016	do.....	25,819.80		25,819.80
Total supply program.....			50,767,520.80		50,767,520.80
Total.....			1,132,531,994.57	209,722,650	922,809,344.57

¹ Grease wool 30,505,730 pounds: scoured/carbonized 41,003,893 pounds.² Dry weight.

Notes: Inventories of commodities as shown in this report include commodities committed to sale or otherwise obligated. Thus, the quantities shown do not represent the quantities available for sale or other disposition.

B. COMMODITIES UNDER CONTRACT TO PURCHASE

Commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Eggs, dried.....	5,025,503	Pound.....	\$6,338,572.02	\$3,518,000	\$2,820,572.02
Linseed oil.....	56,185,768	do.....	15,592,361.23	5,647,000	9,945,361.23
Prunes.....	58,790,300	do.....	4,543,315.21	1,052,000	3,491,315.21
Raisins.....	51,939,740	do.....	4,133,032.90	113,000	4,020,032.90
Total.....			30,607,281.36	10,330,000	20,277,281.36

NOTE.—Firm contracts to purchase are reflected in the accounts for only those commodities on which it is estimated losses will be sustained upon disposition of the inventory to be acquired.

Mr. WILLIAMS. Mr. President, I wish to call attention to one or two of these items. For instance we have in storage more than 6,000,000 pounds of butter. We have on hand over 63,000,000 pounds of dried eggs, the equivalent of over 180,000,000 dozen shell eggs, we have stored away over 10,000,000 pounds of dried prunes, over 4,000,000 pounds of raisins, nearly 15,000,000 pounds of peanuts. We have stored in these warehouses over 140,000,000 pounds of dried milk.

All of these commodities were purchased with the taxpayers' dollars and removed from the normal market channels, thus creating an artificial shortage, thereby forcing the consumer to pay excessive high prices. Such a program is economically unsound and must be corrected. If this bill is not recommended and resubmitted upon a more realistic level I shall vote against its passage.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

AGRICULTURAL PRODUCTS PRICE SUPPORT VERSUS EFFECT OF POLICIES UNDER THE TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, in the opinion of the junior Senator from Nevada, the entire agricultural program lacks one important feature, and that is protection from agricultural imports from the lower wage and lower living standard nations of the world.

No price support of farm prices can possibly be successful unless farm products are protected from such imports.

I am personally in accord with the purpose of legislation which seeks to maintain a price on farm products at the American cost level. In connection with this bill, I want to point out that the bill will not provide a permanent program for agriculture without a provision which makes mandatory such import fees or quotes which may be required to prevent imports from underselling our American price level.

For example, the distinguished Senator from New Mexico [Mr. ANDERSON] in the debate on this bill called attention to the fact that dried eggs which were processed for the Commodity Credit Corpo-

ration under the support program were unsalable at \$1.26 per pound because the trade could buy China dried eggs for \$1.10 a pound. Our dried eggs go into storage, and yet we are buying dried eggs from China, while China is on a starvation diet. The same principle will apply to many other products; it is just a question of degree. The remarks of the distinguished Senator about eggs can be applied to all farm products and raw meats.

Without protection against imports, the United States is placed in the position of having to support the farm price structure throughout the world in order to protect our own producers.

We should have import fees which can be and should be flexible, so as to represent the difference between our price-support level and the world price levels, and such import fees should automatically become mandatory when imported products undersell our own.

Unless we do have such an import fee we shall find ourselves in the rather ridiculous position of buying food away from the starving people of other na-

tions, while our own agricultural products go into storage.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address on this important subject which I delivered yesterday at St. Paul, Minn., before the American Federation of Labor.

In the address I described the effect of the selective "free trade" policy of the State Department, which is based upon the 1934 Trade Agreements Act, as extended.

I described the effect of that policy upon the American workingmen and upon the American investors. I said that the more than 80-year-old tariff and import fee policy of establishing a floor under wages is being abandoned and we are importing unemployment. I said that we have placed the fate of the American workingmen and American investors in the hands of a State Department which permits the lower wage and lower living standard foreign competitors to have a voice in determining our own living and wage standards—and I said that such a procedure amounts to a conspiracy to lower the wage-living standard of the American people.

Mr. President, I submit the address for printing in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN WORKER VERSUS FREE TRADE

IMPORTING UNEMPLOYMENT

In a recent issue of Time magazine, I was rather contemptuously quoted as saying that due to the so-called reciprocal trade treaties which the President now has the power to make, America was importing unemployment.

That quotation was accurate.

I did say it, and I mean every word of it.

I am glad for this opportunity to spell out exactly what I mean and why I am correct.

It is particularly fitting that this speech should be made on this occasion before the most important labor group in the entire world.

I want to talk to you about your own future and the future of your family and children.

When I say that your standard of living has been put in jeopardy by the State Department's policies, I ask that you not make up your minds that I am wrong until you have heard my reasons.

AMERICAN COMPETITION

How do you and your members make your living?

You do it by producing things that other workers are willing and able to buy.

These other workers exchange their hours of labor for your production, and you, in turn, exchange your hours of labor for the things they produce.

You are each other's customers, and you give each other employment.

And if there are no other workers willing and able to employ you, there is nothing on God's green earth that can prevent your being out of a job.

The corporations and organizations for which you work can't do anything about it.

Their only source of money with which to meet your pay roll is the customer—no customer, no pay roll.

Now, whether or not these customers will continue to buy depends upon two things: Whether they have that much money—and whether the thing you produce is the best bargain in the market.

Every group of workers in a given business is in competition with every other group of workers in the same business.

Chevrolet workers are in competition with Ford workers—Swift workers are in competition with Cudahy workers.

That is good healthy competition, and even if Ford can't compete (as he was unable to do when he persisted in stringing along with the model T), the Ford workers can go across the street and make the Chevrolets that Ford's ex-customers have decided to buy, until he designs a car that brings the customers back.

But even when things like this are not happening, the competition does not hurt the workers because no one company can substantially undersell any other company and drag away large groups of customers.

The reason for this is that all the workers involved make about the same wages, which means that the price asked from the customer is about the same for an equivalent product, because wage rates are the overwhelming factor of cost.

As long as the wages of competing workers are about the same their standard of living is not in danger.

AMERICAN WAGE-LIVING STANDARDS VERSUS FOREIGN CHEAP-LABOR COMPETITION

Now, let's see what happens when we get into foreign trade.

Let's take Joe America, who is making watches in Massachusetts.

He gets \$1.25 an hour, and he can compete with every other watchmaker who gets \$1.25 per hour.

But what happens when he gets into competition with Joe Switzerland, who is a watchmaker in Geneva and is getting only 50 cents an hour?

The answer to that is what actually happened: Joe America up in Waltham found his plant shut down—and 75 percent of the watch movements sold through other American companies are coming from Switzerland.

Now, what can Joe America do?

He has two choices: Go to work for 50 cents an hour and compete with Joe Switzerland, or he can learn a new trade.

Neither is a good choice—he is out of luck simply because the low tariff or import fee on foreign watches pulled the rug out from under him.

AMERICAN UNIONS AND MANAGEMENT AND FOREIGN CHEAP-LABOR COMPETITION

Now, let's go back for a minute and see why men join unions.

First of all, they want to be sure of a wage that is in line with the wages of the other workers who make the things they have to buy.

Second, they want job security.

The unions and management can give the men both of those things as far as the domestic situation is concerned, but what happens when cheap foreign-made products cascade into American markets?

The answer is quick and simple: The floor that has taken 50 years to build under the American workers' standard of living and job security collapses.

The customers find better values in foreign-made goods, and they would not be human if they did not take advantage of them.

And the American workers who would have made those products are out of a job.

That is why I said, and will keep on saying as long as I have breath in my body: "When we import cheaply made competitive goods—we import unemployment."

Why is it that so many politicians who would not dream of voting for unrestricted immigration of cheap labor go right ahead and vote for the unrestricted importation of the products they make? There is no essential difference between the two policies.

President Truman says he is not going to allow that to happen, even though he has the power to make it happen.

Well, it has already happened under the emergency legislation (which emergency by the way, has been kept alive for 15 years) and can happen again and much more seriously.

Already the pottery workers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, manganese, copper, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers. And only for the agricultural price-support program—many agricultural products and agricultural workers and farmers would also be severely affected by this time.

As I said, the President promised that this would never be allowed to become serious, but when my group in the Senate wanted him to give up the power to make it serious, he put the heat on his majority, and we were snowed under.

FAIR AND REASONABLE COMPETITION

One of the excuses given by the administration for hamstringing American workers is that the foreign workers are in distress.

Let's look at this argument, not through the confused eyes of our foreign policy makers, but just plain common sense.

My proposal, known as the flexible import fee, would, for example, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality.

Nobody wants to prevent all foreign products from entering our markets; we just want them to be fair competition.

The bleeding hearts in the State Department believe that an equalizing import-fee on Swiss watch movements would have been bad for the Swiss watchmaker.

Let's see if it would.

At present his employers are sweating him to get cheap watches into America.

Suppose his employer could no longer get away with this because the import-fee equalized his cost with American prices?

Here is what would happen.

Under those conditions there would no longer be any incentive for the employer to sweat the Swiss worker, and his wages could be raised painlessly because, as the cost of the parts went up, due to wages, the equalizing import-fee would go down.

The only loser would be the United States Customs.

That point is very important, and I want to explain it in detail.

Suppose a Swiss watch movement now enters this country for \$5 and sells for \$7.50, while an equivalent American watch movement must sell for \$10.

The flexible import-fee on this movement would be about \$2.50 and then each of the two watches would then sell to the public for \$10—the largest factor in this differential of cost is, of course, the difference in the wages of \$1.25 per hour for the American worker and the 50 cents per hour for the Swiss worker.

The Swiss employer would soon see that there was no sense in giving \$2.50 to the United States customs when he could just as easily give most of it to his own workers and keep a little extra for himself.

That is the best way I know of to really help the Swiss worker raise his standard of living.

And if his employer raised the price and tried to keep the entire \$2.50, the Swiss Watchmakers Union would have a perfect set-up for a strike that would get real results.

CONSTRUCTIVE INTERNATIONALISM

It is supposed to be treason nowadays to oppose the pouring out of America's heart blood to the war-torn world; but I can't help but wish there were some court that could forget about getting out injunctions against give-away radio programs and worry about our give-away foreign-policy program.

I'm just a freshman Senator from Nevada, and have worked like blazes for everything I ever got, and I'm o.d.-fashioned enough to believe that charity begins at home.

Of one thing I am sure:

If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because without a strong America, the world is headed straight for the kind of a slavery government that the foreign nations are trying so desperately to avoid.

I claim that we can be intelligent, honest internationalists without subscribing to the crippling of America's strength and vitality. In fact, it is, to my mind, the essence of constructive internationalism.

Make no mistake. We face, in Moscow, a fanatical enemy that would rather have its millions of people perish in the blast of a superatom bomb than give up their dream of world conquest.

It is only the health and productivity of American industrial production that stands between them and the realization of that dream.

I would not say, and I do not believe, that the administration in Washington would deliberately do anything to aid Moscow, but when you lie on your deathbed, it doesn't make you feel any better to know that the doctor honestly did not know that he was giving you the wrong medicine.

THE TARIFF OR IMPORT FEE—A FLOOR UNDER WAGES

Let's look at the subject of tariffs, just as if we knew nothing at all about them.

A tariff is an amount of money that an importer has to pay before he can sell a given product.

Why do we have tariffs?

There are only two legitimate reasons: One, to raise money for the Government, and two, to put a floor under wages, under the price for which the product can be sold.

Any other reason for imposing a tariff is not a legitimate reason.

What is our present tariff policy?

It is being carried on under what is called the Reciprocal Trade Act, which is a misnomer because there is no such act on our statute books. The phrase "reciprocal trade" does not occur in the Trade Agreements Act.

We do have the 1934 Trade Agreements Act, as extended in 1949, and from that comes the President's authority to give away your shirt if he so decides.

This Reciprocal Trade Act title is really a slogan, and a phoney one, to sell free trade to the American worker.

The other day I looked up the word "reciprocal" in the dictionary.

It means mutual, shared alike by both sides.

Now, if there's anything reciprocal about most of the deals made under the so-called Reciprocal Trade Act, I'd like to know what it is.

The truth is that, since 1934, America's tariff policy has been a political football to bolster up half-baked diplomatic schemes, to reward or punish different governments who have or have not acted as our State Department wanted them to act, and to curry favor with governments which needed a little sweetening up.

The principal purpose for tariffs in the United States—namely, to put a floor under the workers' standard of living—has been largely ignored.

EIGHTY-YEAR-OLD POLICY OF PROTECTING AMERICAN LABOR'S WAGES DISCARDED

I have often said that America's tariff policy should return to the traditional purposes for which it was intended.

What are these purposes?

The actual revenue that we collect on imports is not particularly important.

What is this primary purpose?

I will give it to you right out of the political platforms of times when America developed into a big-league Nation:

Here's 1860: "While providing revenue for the support of the general government, by duties upon imports, sound policy requires such an adjustment on tariffs as to encourage the development of the industrial interests of the whole country."

Here's 1872: "(Tariffs) should be adjusted as to aid in securing remunerative wages to labor."

Here's 1876: "Duties on imports, should as far as possible, be adjusted to promote the interests of American labor and advance the prosperity of the whole country."

Here's 1880: "We reaffirm the belief that duties levied for the purpose of revenues should so discriminate as to favor American labor."

Here's 1884: "(Tariffs) shall be so levied as to afford security to our diversified industry and protection to the rights and wages of the laborer."

In 1888 the country was dabbling with free trade, and Benjamin Harrison was elected with the following plank: "We are uncompromisingly in favor of the American system of protection, and we protest its destruction by the President and his party. They serve the interests of Europe: We will support the interests of America. The abandonment of the protective system has always been followed by general disaster to all interests, except those of the money lender and the sheriff."

In 1892 came first mention of the flexible import-fee principle: "We believe that all articles which cannot be produced in the United States * * * should be admitted free of duty, and that on all imports coming into competition with products of American labor, there should be levied duties equal to the difference between wages abroad and at home."

That is the traditional tariff principle that built America into the world's greatest Nation and made American labor the aristocracy of the world's workers.

That is the traditional principle that is being abandoned and without which—as sure as sunrise—the American worker cannot maintain his standard of living.

Under the selective "free trade" principle adopted by the State Department, based upon the 1934 Trade Agreements Act as extended, the low-wage living standard and slave labor throughout the world is placed in direct competition with American workingmen.

Between 1918 and 1921 America had a taste of what happens without protective tariffs or import fees.

In the 2 years of 1918 and 1919, protective tariffs were reduced 33 percent, and domestic prices and employment fell off so sharply that on May 28, 1921, an emergency tariff was rushed through the Senate.

It is true that the farmer was the chief beneficiary of this emergency tariff, but in our closely interrelated economy, no one group can suffer without affecting all other groups.

When the farmers are unable to buy their share of the factory output, some of the factory workers must stop work.

That was the last time America monkeyed with the tariff machinery until 1934.

At that time emergency powers were given to the President to call the signals as he saw them.

This act authorized him to lower any tariff up to 50 percent.

It was supposed to last for 3 years, but it has been extended, extended, and extended, and if the recent vote of the Senate is any clue, we will have it for a long time to come—unless the American worker sees his interests in their true light.

As matters now stand, your future, as it is affected by tariffs, is no longer in the hands of your elected representatives: It has been delegated by Congress to the State Department without any reservations whatsoever.

And it is my conviction that if something isn't done about it, the administration will abolish all tariffs and change to a system of quotas based on strictly political situations.

And where will that leave the American worker?

THE FATE OF AMERICAN WORKINGMEN AND INVESTMENTS IN FOREIGN COMPETITORS' HANDS

In closing I would like to point out the fallacy of putting the fate of the workingmen and the investments of America into the hands of a State Department which permits our foreign competitors a voice in determining our own standard of living.

It amounts to a conspiracy to lower American wage-living standards—and destroy American investments.

FREE IMPORTS—FREE IMMIGRATION

There is no effective difference between importing the products of foreign low-wage living standard labor and in importing the labor itself. In either case we are importing unemployment.

It would be very difficult to justify a vote against free immigration if we vote for importing the products of the low-cost foreign labor.

LABOR'S MONTHLY SURVEY

I quote from your own August-September 1949 American Federation of Labor Monthly Survey—"Also we can only lift our tariff barriers when production of other countries is of high quality and made under similarly high labor standards."

I subscribe to that statement 100 percent.

The greatest service that the American Federation of Labor can render the foreign low-paid worker is to support the flexible import fee principle—so that the incentive would no longer exist for foreign governments to hold their workers pay down in order to enter the American markets by circumventing tariff rates.

This Nation is in dire need of an American policy for the American worker.

ABOLISH TRADE-AGREEMENTS ACT

But before any policy can be effective we must abolish this Trade Agreements Act, which is used solely to flood this country with the products of cheap foreign labor. This importation of unemployment must stop.

Congress can then lay down a principle to encourage legitimate foreign trade by establishing a definite market for the products of all nations, but on a fair and reasonable competitive basis with our own products.

ADOPT THE FLEXIBLE IMPORT-FEE PRINCIPLE—FAIR AND REASONABLE COMPETITION

I do not think it unreasonable to demand that American products be protected from unfair, slave-labor, foreign competition in our own market.

The flexible import fee principle would guarantee fair and reasonable competition since import fees would be fixed on that basis in the same manner as the Interstate Commerce Commission fixes freight rates for carriers, namely, on a basis of a reasonable return on investment.

Through the flexible import-fee principle, a market is immediately established on a definite basis for the products of all foreign nations, and as they raised their general wage-living standards the flexible import fee would be lowered accordingly.

NO HIGH OR LOW IMPORT FEE

Under the flexible-import fee principle, there would be no consideration of a high or a low tariff or import fee, but the import fee would at all times correctly represent the differential in labor standards between here and abroad.

ONE POLICY FOR ALL

We must have one tariff and import policy for all sections of our country and all sectors of our population. The Congress of the United States cannot longer allow a foreign-minded State Department to make discriminatory trade agreements which have the effect of favoring one section of the Nation or one sector of the population over another. The flexible-import-fee principle would protect all sections and sectors alike.

WELCOMES FAIR, REJECTS UNFAIR COMPETITION

The greatest factor in the cost of almost any imported product is labor. Well, this flexible-import fee would continually measure the difference between the cheap foreign labor rates and our own.

It would prevent the foreign product from gaining an unfair price advantage over the American product in our own market.

The flexible-import-fee principle would accept and welcome all competition on our wage-living standards, but it would automatically reject all unfair competition with American labor standards.

EQUAL ACCESS TO OUR MARKETS—CANNOT ASK FOR MORE

All of the foreign nations of the world would immediately be offered equal access to the American markets on a basis of our wage-living standards. They cannot in good faith ask for more.

Mr. MALONE. Mr. President, unless we have such a flexible import-fee system in connection with our price-support program, we face the necessity of supporting the prices of agricultural products throughout the world in order to support our own.

In this connection, I offer for printing in the RECORD an Associated Press dispatch from the Baltimore Evening Sun, headed "Senator alleges importation of unemployment."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR ALLEGES IMPORTATION OF UNEMPLOYMENT

ST. PAUL, October 3.—Labor was told by Senator MALONE, Republican, Nevada, today to be on guard against importation of unemployment.

"When we import cheap competitive goods, we import unemployment," MALONE said in an address prepared for delivery at an AFL meeting.

Tariff policies which permit unequal, unfair, and injurious treatment of United States products affect the pocketbook, the standard of living and the general welfare of every American worker, MALONE said.

IMPORTING UNEMPLOYMENT

"We are now importing unemployment under the trade-agreements program of the State Department," he added. "We are permitting underpaid and slave labor products from foreign nations to compete on an unfair basis with our higher paid working men for our own rich, domestic markets."

He referred to difficulties of the Waltham Watch Co. which he said was overwhelmed with imported watches made by underpaid Swiss labor.

"Already," he said, "the pottery makers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers."

FLEXIBLE TARIFF PROPOSED

He described his own proposal to substitute a flexible import fee for the present tariff system.

It would, he said, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality. The competition then, he said, would be on a basis of value.

Under his system, if wages or other costs of producing the foreign article should go up, the import fee would drop in proportion.

"That," he added, "is the best way I know of to help the Swiss worker raise his standard of living."

WORLD NEEDS STRONG UNITED STATES

"If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because, without a strong America, the world is headed straight for the dogs."

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a dispatch from the Minneapolis Star, of Minneapolis, Minn., dated October 3.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOW TARIFFS CALLED BLOW TO UNITED STATES LABOR

Senator GEORGE MALONE, Nevada Republican, called today for scrapping reciprocal trade agreements to prevent slave-labor products from competing with American workers' output.

He said in St. Paul the policy of cutting United States tariffs to help goods get into this country and expand our exports in return has been entirely one-sided—against American industry.

He spoke at the American Federation of Labor convention in St. Paul auditorium this afternoon.

"When we import cheap competitive goods, we import unemployment," MALONE said.

He used Swiss watches as an example of products, he said, were cutting into American employment.

He advocated a flexible import fee for the present tariff laws. If wages or other costs of producing the foreign article should increase, the import fee would be reduced in proportion.

This would force the foreign country to compete on similar wages and quality basis, he said, and "is the best way I know of to help the Swiss worker raise his standard of living."

MALONE said the tariff plan has hurt pottery makers, glass workers, bicycle workers, carpet workers, woolen workers, and people who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article from the St. Paul (Minn.) Dispatch, dated October 3, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRADE PACTS THREAT TO UNITED STATES LABOR CITED

Labor was told by Senator MALONE (Republican, Nevada), today to be on guard against importation of unemployment.

"When we import cheap competitive goods, we import unemployment," MALONE said in an address prepared for delivery at an AFL meeting.

Tariff policies which permit unequal, unfair and injurious treatment of United States products affect the pocketbook, the standard of living and the general welfare of every American worker, MALONE said. He added:

"We are now importing unemployment under the trade agreements program of the

State Department. We are permitting underpaid and slave labor products from foreign nations to compete on an unfair basis with our higher paid workmen for our own rich, domestic markets."

He referred to difficulties of the Waltham Watch Co. which he said was overwhelmed with imported watches made by underpaid Swiss labor.

"Already," he said, "the pottery makers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers."

He described his own proposal to substitute a flexible import fee for the present tariff system.

It would, he said, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality. The competition then, he said, would be on a basis of value. Under his system, if wages or other costs of producing the foreign article should go up the import fee would drop in proportion.

He added:

"That is the best way I know of to help the Swiss worker raise his standard of living."

"If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because, without a strong America, the world is headed straight for the dogs."

Mr. MALONE. Mr. President, I have received a letter from Mr. Francis Church Lincoln, a distinguished consulting engineer, who many years ago made an admirable record as director of the Mackay School of Mines, of the University of Nevada.

He includes in his letter an editorial from the San Diego Union, dated September 22. I ask unanimous consent to have his letter and the enclosed editorial printed at this point in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

CHULA VISTA, CALIF., September 26, 1949.

HON. GEORGE MALONE,
Senator from Nevada,
Senate Chamber,
Washington, D. C.

DEAR SENATOR MALONE: This letter will undoubtedly come as a surprise to you, but ever since I left Nevada, I have continued to take an interest in your career, and recent events lead me to take this time to express my encouragement and commendation of your work.

I believe that the stand you have taken on the reciprocal-trade program and the devaluation of the pound is fully justified; and am sorry that there are apparently so few in Washington who agree with you as to the adverse effects upon our economy which seem certain to ensue. It seemed to me that Time—with which I am usually in agreement—did not treat this matter with the seriousness it deserved in its issue of September 26, but seemed more interested in belittling your efforts than in giving the subject the attention it deserved. Our local paper did better in an editorial which I enclose.

Last year I retired from the South Dakota School of Mines and I am now conducting a consulting business from my new home in Chula Vista. Be sure to look me up if you are ever down this way, as I should greatly enjoy seeing you.

Sincerely yours,

F. C. LINCOLN,

[From the San Diego Union of September 22, 1949]

GOAT, UNCLE SAM?

It is not hard to understand the feelings of Senator MALONE, of Nevada, who has been an ardent champion of protection for our own industries, and agriculture, when he characterizes the action of the British Government in devaluing the pound sterling as a blow below the belt for the United States.

A particular grievance of the Nevada Senator is that during the very period of the British-Canadian-American negotiations on the British financial dilemma, the administration was pushing through Congress the bill renewing the reciprocal trade-agreements legislation. This legislation, he contends, and the International Trade Organization agreements, were predicated on the pound at its \$4.03 valuation. The devaluation, he contends, pulls the rug from the United States.

While Senator MALONE may be guilty of some extravagance in his comments on the recent financial coup, it is only fair to quote his statements as representing the views of a large number of Americans:

"They (the British) will buy in bulk from Russia and her satellites and unload the products to advantage in markets which will be closed to the United States.

"They will also unload their products here and in South America, where with the reduced value of the pound American goods will be priced out of the market.

"The simple answer is that they will be able to export more and buy less in the dollar market.

"They will promote commerce with the communistic world at the expense of this country. Our State Department was sympathetic, if not in collusion. They knew all of this when they rammed the reciprocal-trade agreements through. * * *

"The whole transaction was dishonest, and I regard it as a form of piracy."

These are strong words. But they come from a legislator who has been diligent in trying to protect American industry and labor against foreign encroachments.

For the present the only thing we can do is to await the effects of the combination of British devaluation and our own unprecedented concessions to British trade. It may be set down for a certainty that we shall have less gain than loss from the arrangement.

Mr. MALONE. Mr. President, the cumulative evidence and debate is overwhelming that no price-support program can be successful, while the agricultural products of the lower wage living standard nations are allowed to come into this Nation without any equalizing tariff or import fee.

The embarrassing situation of witnessing the purchasing of Chinese dried eggs for consumption in the United States at lower than the support price—and storing our dried eggs—can occur in many price-supported products, and finally defeat any such program through the billions of dollars required to support it.

The flexible import fee principle—which I introduced in the United States Senate in 1948 and again in 1949—and later as a substitute for the proposed extension of the Trade Agreements Act would prevent such a condition.

The 1934 Trade Agreements Act as extended is responsible for the lowering of the tariffs and import fees to the point where there is no protection to the American standard of living—and which has rendered any agricultural products price-

support program impractical—unless we adopt the flexible import fee principle of bringing such products in on our level of costs.

Mr. President, in closing let me say that there are only a very few agricultural products that such a flexible import fee, properly administered, would not fully protect without a price-support program.

Wheat and cotton are examples of products that would need price support in addition to the flexible import-fee principle—but the funds collected from other imports would be more than sufficient to pay for such support.

The time has long since arrived when the Senate of the United States must consider the people's ability to pay, before voting large appropriations for any purpose.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks an editorial entitled "How Near Are We to Free Trade?" published in the News-Sentinel of Fort Wayne, Ind., September 20, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW NEAR ARE WE TO FREE TRADE?

Senator GEORGE W. MALONE, of Nevada, has offered a flexible import-fee bill as a substitute for the proposed 3-year extension of the 1934 Trade Agreements Act. In our opinion, it was to be preferred over the latter, which the Senate approved last Thursday.

It would have established a clear-cut American policy as a basis for cooperation among the nations of the world. As a result of the administration's "free-trade" program, under which we openly encourage a large increase in imports from the European countries and urge them to become self-sufficient and to manipulate the price of their currency for trade advantage, this Nation may be heading into a serious depression.

No small part of the more than 3,000,000 unemployed in this country are without work because of the actual and threatened imports of products from low-wage standard-of-living European and Asiatic countries.

Under Senator MALONE's flexible import-fee adjustment of rates, to have been set by the Tariff Commission, a definite market basis would be established in the United States for goods of foreign nations; yet those nations would remain the judges of their own living standards.

Senator MALONE thinks—and there is good reason to agree—that under his plan they would be encouraged to raise their wage-living standards because they would immediately get credit by a corresponding reduction in the tariff or import fee; and when their standards of living approximated our own, then the objective of free trade would be an almost automatic and immediate result. In the meantime, our own standard of living and wage level would be protected.

Our import fees are a floor under the American wage and living standards. What happens if, as the administration appears to want, we must meet the competition of some foreign products? We must reduce production costs, and that means cutting wages. The alternative is unemployment.

We are for the slogan "Competition is the life of trade"; but we're talking about fair competition. Why kid ourselves? American manufacturers just cannot meet the competition of products made at the hands of workers in other countries paid at rates so low they must live on a near-subsistence level.

Senator MALONE's idea is to reconstitute the Tariff Commission as the Foreign Trade Authority, which would bring in foreign items on a reasonable competitive level with our own products. The Authority would consider such factors as currency manipulation, foreign-exchange juggling, and Government bloc buying.

As foreign countries raised their wage-living standards the import fee which measures these differentials would decrease accordingly; when any country's living standard approximates our own, free and unhampered trade could, in Senator MALONE's opinion, be realized.

The criterion "fair and reasonable" competition under the flexible import fee would parallel the function of the Interstate Commerce Commission in fixing and periodically adjusting freight rates, as an example. It is high time for the removal of import fees from the realm of logrolling, lobbying, and international horse trading. If the Malone measure will do all this, it merits support.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment of the Senator from Minnesota [Mr. THYE].

Mr. RUSSELL. Mr. President, I dislike exceedingly to delay the Senate for even one moment at this hour. I realize that nothing which can be said here will affect the amendment which has been agreed to or will change the mind of any Senator as to the vote which has been cast. But I cannot permit the record to be closed in its present condition without saying a few words to correct what might have been a false impression created by some remarks. I am sure that was not intentional; but because of the present condition of the record, it is necessary for me to make this brief statement.

I yield to no man in my admiration for the distinguished junior Senator from New Mexico [Mr. ANDERSON]. He was one of the greatest Secretaries of Agriculture of all time. He knows more about the details of agriculture throughout the Nation than perhaps any other living American does. But I cannot agree with him on the views he has set forth about the bill. I regret that I cannot. The distinguished Senator from New Mexico in his statement left the impression that the adoption of the Young-Russell amendment by the Senate will increase the prices of some of the basic commodities. Mr. President, that simply is not a fact. The amendment retains some of the prices which the bill sponsored by the Senator from New Mexico would have taken away from the farmer; but the amendment does not increase the cost of any basic commodity by one dime.

This is not a bill which merely deals with loans, Mr. President; this is a comprehensive farm bill. It rewrites the entire parity formula. The Senator from New Mexico referred to the fact that this bill, as now amended, will increase the price of cotton by \$17.50 a bale, and the price of wheat by some 35 cents a bushel. The truth of the matter is that this bill will reduce the price of cotton by nearly 10 cents a pound and will reduce the parity value of wheat by several cents a bushel.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. If the Senator from Georgia is correct, then I made an incorrect statement to the Senate. I ask him to examine Senate bill 2522, as now amended, and see whether the amendment which the Senator from Georgia and the Senator from North Dakota [Mr. Young] have succeeded in having added to the bill will not increase the price of cotton \$17.50 a bale.

Mr. RUSSELL. How could that be? How is it possible?

Mr. ANDERSON. It is possible because the Senator from Georgia and the Senator from North Dakota have, by their amendment, added 3½ cents a pound to the price of cotton, or an addition of \$17.50 a bale.

Mr. RUSSELL. How could the amendment do that?

Mr. ANDERSON. By raising the support price of cotton from a minimum of 72 percent to a mandatory 90 percent of the parity price.

Mr. RUSSELL. So the statements and insertions which have been made in regard to the parity values are in error. Is that what the Senator from New Mexico is saying?

Mr. ANDERSON. Yes; three different tables have been presented, and all of them are in error, so far as I know. One of them says, for example, what the support price of tobacco will be, either with quotas or without quotas, under my bill. My bill provides that if there are no quotas the support price for tobacco is zero. Yet the table has been circulated as if it were a correct one.

The amendment of the Senator from Georgia and the Senator from North Dakota, which has been added to the bill, will increase the price of cotton, the price of wheat, and the price of corn. There can be no controversy on that subject.

Mr. RUSSELL. How can it increase those prices when the amendment does not relate at all to the parity formula, but merely to the support price of the parity formula.

Mr. ANDERSON. With the high level we have in the supply of corn—131 percent, or some such figure as that; the Senator has the figure there, I believe—

Mr. RUSSELL. Oh, the Senator from New Mexico means that the amendment will increase the price over what the price would have been under his bill. Is that correct?

Mr. ANDERSON. That is correct.

Mr. RUSSELL. But not over what the present legislation would allow.

Mr. ANDERSON. No; I question that statement, because the present legislation, which is to become effective in January, is the Aiken bill.

Mr. RUSSELL. I mean the legislation which is in existence at the present time.

Mr. ANDERSON. Of course, the bill which is in existence at the present time terminates on January 1, 1950.

Mr. RUSSELL. I was referring to existing law, the law in effect today.

Mr. ANDERSON. On that basis, I agree with the Senator from Georgia.

Mr. RUSSELL. That is the point I am making, exactly: That if we do not intend to cut the prices the farmers receive today, this bill, as it stands at this

very moment, will still mean—with the 90 percent of parity—a substantial reduction in what the farmer is receiving under the law which is in effect today; and unless we intend to commence an economic retreat with the farmer, by cutting the prices he receives for his products, the Senate was correct in adopting the amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. I wish to point out that the table the Senator holds in his hand was given to the Committee on Agriculture and Forestry by the Secretary of Agriculture, Mr. Brannan. I also wish to point out that the Anderson bill provides that for the first year of its operation the farmer shall automatically get 90 percent of parity when his crops are under acreage controls or quotas.

Mr. RUSSELL. I thank the Senator.

Mr. AIKEN and other Senators addressed the Chair.

Mr. RUSSELL. Mr. President, I shall yield first to the distinguished author of the Aiken bill, the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. The Senator has pointed out merely that the revised parity formula incorporated in the 1948 act and continued by the Anderson bill reduces somewhat the parity price of cotton. I should like to point out that, although it reduces somewhat the parity price of cotton lint—

Mr. RUSSELL. And wheat.

Mr. AIKEN. And wheat—it increases the price of cottonseed about 20 percent, which I believe offsets any reduction in the price of the lint.

Mr. RUSSELL. I am delighted to hear that.

Mr. AIKEN. The parity price on cottonseed would be in the neighborhood of from \$65 to \$67 a ton under the revised parity formula, whereas I think it is around \$54 under the present parity.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. Mr. President, if I understand correctly, the amendment offered by the Senator from Georgia, which was adopted by the Senate awhile ago, arrests the severity of the cut in basic farm products, which otherwise would have occurred, under the Aiken bill of 1948.

Mr. RUSSELL. It does not eliminate the reduction, because the bill will reduce the parity from what it is at the present time, and what it has been for some time, by the revision of the program. But it does prevent adding to that reduction another reduction, which could amount over a period of time to 15 percent more, in what the farmer would have as a support price.

I wish, again, to say to the Senator from New Mexico that I hope I did not misquote him. The Senator was speaking about his bill, and I was talking about the law as it is. I tried to make that perfectly clear when I opened my remarks. Of course, if we are going on the assumption we are to use the date the Aiken bill took effect, the Senator from New Mexico is correct. The amendment

would assure that the farmer would get much more under the amended bill than under the Aiken bill, but it would not increase his return over what he is receiving at the present time. As a matter of fact, he would take a reduction.

Mr. ANDERSON. I do not dispute that at all. I simply point out, as everyone recognizes, that the legislation terminates December 31, 1949, and the amendment deals with what is going to happen after December 31, 1949. That would be under either the Aiken bill or the pending bill or some other bill. The amount of increase in the case of cotton prices which I indicated would be the effect of this amendment to the bill is, I think, correct.

Mr. RUSSELL. Using the Senator's bill or the Aiken bill as a basis, that is correct. But the figure the Senator uses would increase the price of cotton by the figure, I think it was, of \$17 a bale. But the Senator was referring to the fact that it was increased in his bill, rather than under the present law.

Mr. ANDERSON. That is correct.

Mr. RUSSELL. The same thing applies to corn.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Is it not true that the point which the Senator has just made applies, though in a limited way, to wheat, corn, and cotton, but that exactly the opposite is true in the case of rice and both kinds of tobacco, both burley and flue-cured, in that the price which would be supported by his amendments would be considerably greater in both cases than the price under the present law?

Mr. RUSSELL. In the case of rice, there is a slight increase, I said, and there is a minute increase in the price of tobacco. In fact, it is less than 2½ cents a pound. I am talking now about the arguments relative to increasing the living costs of the American people. I am not speaking about tobacco. Mr. President, I hope that is clarified. I did not make that statement for the benefit of the Senate; I made it for the benefit of the record, because I did not want to leave the impression that the vote of the Senate this afternoon had increased the living costs to the consuming public in America. As a matter of fact it amounts to a reduction to the consuming public, when considered in connection with the program which has been written into the bill. It not only reduces the cost to the consuming public; it reduces the tax on the income of the farmer. Despite the implication that he is getting wealthy out of what he is earning, he still is dragging along with his 8 or 9 percent of the national income, though he is a member of a group that constitutes almost 20 percent of the entire population of the United States.

Mr. President, I now wish to advert briefly to the statements of the distinguished Senator from Illinois. He twitted Members of the Senate who had talked about economy, and said the advocates of economy had voted for the pending bill. The so-called advocates of economy, those he has thus labeled, at

least, are merely trying to prevent an unwarranted reduction in the incomes of the farmers of the country. I would the Senator had made his economy speech some time earlier in the session. I should have welcomed it when the Senate had under consideration the European-aid program, and also when the arms-to-Europe program was being considered. I should have welcomed it when we increased the salaries of Federal employees, when I was trying to bring about some little reduction in them, and when the Senator voted for the higher salaries.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LUCAS. The Senator will not deny that cotton and peanuts are getting a pretty good deal under the amendment, will he?

Mr. RUSSELL. No, they are not getting so good a deal as wheat is getting under it.

Mr. LUCAS. I am not talking about wheat. I am talking about peanuts and cotton.

Mr. RUSSELL. Yes. I am not ashamed to say I think the cotton farmer is entitled to 25 cents a pound for the cotton he produces.

Mr. ANDERSON. Does the amendment give cotton close to 25 cents a pound, or does it go to 30?

Mr. RUSSELL. The Senator has disavowed these figures, so I have had to use those which were furnished by the Secretary of Agriculture. I shall accept the Senator's figures as being correct, but I wish to say I know the feeling that exists elsewhere in the country because the cotton farmers are permitted to share in the farm program. I say the cotton farmer is entitled to 30 cents a pound for his cotton. I would not be ashamed to vote for such a proposition here on the floor of the Senate. I know the feeling that exists against cotton, because it is largely produced in a section of the country that does not stand too high in some circles, but I say the statistics which have been prepared by the Bureau of Agricultural Economics over a long period of years show that it takes 1 hour to produce a pound of cotton. I am not ashamed to say I would favor 30 cents a pound, that being 30 cents an hour for work that is back-breaking beyond the realization of those who refer to the cotton farmer as if he were getting special consideration. No more difficult work is done by man than that which is done in the cotton fields. It is done by hand. The cotton farmer goes to his field to plant the crop. He must run around it twice with the plow. He must chop it out once or twice with the hoe, and then go into the field and break his back, picking it by hand. It is worth 30 cents a pound.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. I feel sure that the Senator from Georgia is familiar with the sugar-beet operation, the care of the sugar-beet field and the harvesting of sugar beets.

Mr. RUSSELL. No, I do not know so much about that as does the Senator

from Minnesota, but I may say that I have never sought to beat down a bill that was recommended by the sugar-beet growers. I have supported every bill they have ever caused to be introduced, though the farmers from other areas who produce sugar beets complained because they said the cotton farmer would get the equivalent of 30 cents a pound.

Mr. THYE. I want to say to the very able and distinguished junior Senator from Georgia, there is no feeling other than that of sympathy for any agricultural producer, whether he be a cotton producer or a sugar-beet producer, or whether he operates a dairy farm, or whatever his product may be. I personally would do my utmost to assure the producer of any agricultural commodity that he shall have parity with all other crops in the economy of the entire Nation, but I do not want to begin writing legislation that I can see is doomed in about 2 or 3 years from now. Senators, including myself, who are gray-haired and baldheaded can carry on, regardless of what happens in agriculture; but the lad who came out of the Army, who started out in the past 2 or 3 years buying farm machinery and equipment at inflated prices, and who assumed \$3,000, \$4,000, to \$10,000 in the way of obligations—if we let him down, it will mean 2 or 3 years from now that that young man will be bankrupt and will be ruined. He has already given too much in the terms of years of sacrifice in the military service. I am thinking about that young man. I am not thinking about ourselves, those of us who have made our stake in the past 10 years in farm operations.

Mr. RUSSELL. I want to say I do not propose to let down the farmer who is a veteran, who returned from the wars, within 3 years, and I do not propose to cast a vote today that will fix it so he cannot pay for the farm machinery he has bought, or so that he cannot pay for the land he has bought. I shall not say to those 9,000 veterans in the State of Minnesota who have returned to their farms, if any of them have engaged in the production of an absolutely basic commodity, "You are here burdened with this debt for the land, you are here burdened with the debt for this expensive machinery. I will help you pay that debt. I shall cut your income 40 percent." That is what would happen if the Senate had passed the bill. I shall hang on as long as I can to see that he has a chance to pay his debt.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. I would say to the able Senator that I do not believe, when we establish price controls to meet changes in economic conditions which may occur, it is not cutting the farmer's price. I dare say pork will be selling in Sioux City and St. Louis markets tomorrow, no matter what we may do this afternoon. The only time we need price supports is when we need them to act as a shock absorber if the price of a commodity happens to break. But the Senator from Georgia and I want to see the economy of the Nation remain at a point where we shall

never use the mechanics of price support except in the event of an economic situation in the Nation which compels the floor to be there to receive the commodity when it slides back. In the harvesting season we want the mechanics of price support to be there to hold the market against a drastic drop. When the great combine which starts in the Panhandle of Texas and harvests millions of bushels of grain all across the Nation begins to operate, it is then that we need price supports to hold the market. But we do not want to hold the entire economy of the United States in that way.

Mr. RUSSELL. I do not claim to be an economist. The Senator from Minnesota is representing himself as an economist. I am speaking as one who has had a little experience with farm problems. I have never claimed to be an economist. I know the difference between wheat which sells for \$1.50 a bushel and wheat which sells for \$1.85 a bushel. I know the feeling of the farmer and the prosperity of a farm community when the cotton farmer receives 25 cents a pound for his cotton as compared with 18 cents a pound.

The Senator talks about having a cushion in time of stress. It does not take effect unless there is acreage control in operation. It never applies unless there is some control program in force and effect. I submit that if we leave it to the sense of fair play of the American people, if the farmer is to surrender to a department or bureau in Washington which tells him how many acres of a commodity he can produce, the Government of the United States owes it to him to see that he at least gets a fair parity in the value of his product.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. The Senator has spoken of the increased cost to consumers if the support level of beef and pork is increased.

Mr. RUSSELL. The Senator from Minnesota was talking about discrimination. This bill does a great deal more than juggle loan values in connection with these commodities. The Senator has a new parity figure which he has written. I am not complaining about it. I would not adopt a dog-in-the-manger attitude and try to strike down the whole bill by writing an amendment to it which would absolutely invalidate it. But the Senator and his committee have apparently written a figure indicating that under the present law 90 percent of parity is 57 cents. This raises it to 65 cents. What does it do to milk, wholesale? It brings it to the point where 90 percent is \$3.51. Under the new bill it is \$4.09.

We talk about the consumers of the country. Here is a bill which is increasing the price of butterfat, milk, hogs, chickens, beef cattle, and lambs, while on the basic commodities, wheat, cotton, and corn, the price is reduced. That makes it all the more fair that we should take care of the producers of the basic commodities, so that they shall not be required to take this three-way cut, namely, reduced parity value, reduction

in acreage, and reduction in the loan value—

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. It so happens that when we figured all the costs involved in the production of these various commodities and the weight at which they find themselves, the Senator from Minnesota had nothing to do with the yardstick that was developed in figuring the weight or the parity of those commodities; but I will say to the very able and distinguished Senator from Georgia—and I have the greatest admiration for him, and I wish I could argue as facilely as he does—

Mr. RUSSELL. I thank the Senator from Minnesota.

Mr. THYE. I will say to the Senator that the commodities to which the Senator referred have always been at the mercy of the Secretary of Agriculture, and the Secretary was bound by mandatory provisions in connection with the six basic commodities to spend all the money that Congress made available to him.

If there happened to be any money left, if there happened to be a little money in the section 32 fund or in the school-lunch fund, the Secretary might use a little of that money in the support of nonbasic agricultural commodities into which pork and certain other commodities happen to fall. The same thing is true of the citrus crop and the various nut crops. It was entirely in the discretion of the Secretary of Agriculture as to whether he would spend a penny in the support of those commodities, but peanuts, rice, tobacco, cotton, wheat, and corn were on the mandatory list.

Mr. RUSSELL. I am glad the Senator has named the two largest crops first.

Mr. THYE. They happen to be the ones which had a claim upon the fund at the outset.

Mr. RUSSELL. They are the commodities, with the exception of cotton, which have brought a return to the United States. When there has been money spent on the basic commodities it was advanced as loans. At the last hearing held by the Senate subcommittee on Agricultural Appropriations the Secretary of Agriculture testified that there had not been any loss on the basic commodities. Perhaps the Senator wants to stir up a little sectional feeling, but let him show where there has been any loss in dealing with those commodities.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. Is it not true that it was the war which came along and baled out the surplus which has accumulated?

Mr. RUSSELL. I think that is true.

Mr. DOUGLAS. If it had not been for the war there would have been large losses.

Mr. RUSSELL. I do not know. I hope and pray that we shall not have another war. But the fact that we had a reasonable supply of agricultural commodities was one of the best things that ever happened to the United States when

the foul blow was struck at Pearl Harbor. We cannot win a war only with tanks and machine guns. We must have something for the soldiers to eat. Napoleon said that an army travels on its belly.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. There have been losses on peanuts. I do not know when the Secretary testified, but there have been losses right along. Sometimes we have disposed of the product to the American Army at prices that pulled us out. Last year the cost of the peanut program was \$10 an acre. If we had the same kind of a program for cotton, wheat, and corn, it would cost the country \$2,000,000,000 a year.

Mr. RUSSELL. I should like to see the figures to which the Senator refers.

Mr. ANDERSON. I shall be very glad to get them.

Mr. RUSSELL. I should like to see the testimony of those who handled the program in the Department that established any such fact, because I never heard of it. The testimony before the committee last year, or the year before, was that they had made some \$9,000,000 on the peanut program. They may have sold them to the Army; I do not know about that.

Mr. ANDERSON. I wish to say to the distinguished Senator, who, I recognize, is just as sincere as anybody could be, that the same story was told to me when I was in the Department of Agriculture, that there had been no loss on the peanut program. It was not until I went into the story that I found there had been losses on the peanut program, and very substantial losses.

Mr. RUSSELL. I shall not controvert the Senator's statement. If he will get the figures for the Record and vouch for them, I will accept them as accurate, because the Senator was Secretary of Agriculture; but I know the statement I have repeated has been made, and I know the Senator from New Mexico has heard it.

Mr. ANDERSON. I have.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. I should like to ask the very able Senator from Georgia if he is not unintentionally giving the wrong impression when he implies that the flexible price formula results in a smaller income to the farmer. As I understand the formula, it provides that for every 2 percent increase in total production and total supply there is a fall of 1 percent in price, or in the parity ratio. That means that the farmers gain in total income by 1 percent for every 2 percent increase in their production. For if the increase in production is 2 percent, the price per unit falls only 1 percent, so the total income, or price times quantity, increases by 1 percent.

What the flexible price formula, as begun by the Senator from Vermont [Mr. Aiken] in 1948 and continued by the Senator from New Mexico [Mr. Anderson] does, as I see it, is to divide the

gains of increased production evenly between the producers and the consumers.

For every 2 percent increase in output, or supply, the consumers get a reduction in price per unit of 1 percent while the farmers get an increase in total income of 1 percent. When we impose a fixed parity of 90 percent, or the same price no matter how much is produced or supplied, that means that all the gains of increased production go to the farmers and no gains go to the consumers. I submit that this is not a proper policy, and I hope very much that some Senator will make a motion to recommit the bill.

I beg the Senator's pardon for making a speech on his time.

Mr. RUSSELL. I must confess I could not follow the first part of the Senator's argument, because I did not exactly understand it, but I shall not ask him to repeat it. I understand the latter part. The Senator's argument must be predicated on the fact that some Secretary of Agriculture will not do his duty, because 90 percent of parity does not apply except where commodities are under controls, and the Secretary of Agriculture, if he is going to place a commodity under controls, would certainly try to control it to such an extent that the farmer could not produce all he wanted and get the 90 percent of parity therefor.

Mr. DOUGLAS. But in order to get out of your difficulties you are therefore putting a ceiling on the production of agriculture, whereas the flexible price formula permits production to increase and allows prices to fall. It does not require production quotas to anywhere near the same degree.

Mr. RUSSELL. Mr. President, in my judgment nothing could bankrupt the farmer quicker than to reduce his prices proportionately as we let him produce his commodities. If we are going to reduce the prices he is to receive and then to increase his production, the farmer, of course, will get to the point where he will be producing at a loss, and the more he produces the faster he will go broke.

Mr. DOUGLAS. That may be true in an uncontrolled market, but the flexible price formula simply says that price per unit shall fall by only 1 percent for each increase of 2 percent in production or supply. The price per unit does not fall more rapidly, or even as rapidly as, the increase in output. It falls only half as fast.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I merely wish to call attention to the difference. The Senator keeps saying production. We want the word "supply" used. There is a great deal of difference, if it is only properly explained.

Mr. LUCAS. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LUCAS. I move that the Senate take a recess for 1 hour.

Mr. RUSSELL. Mr. President, I was about to conclude.

Mr. LUCAS. I withdraw the motion. I thought the Senator had concluded.

Mr. ANDERSON. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New Mexico.

Mr. ANDERSON. I wish to put into the RECORD, from the report of the financial condition of the Commodity Credit Corporation as of June 30, 1949, the statement that the loss on peanuts for that fiscal year was \$23,784,910.31. I wish to say to the Senator from Georgia that I recognize that he has had the same sort of information I have received, and there had not been any great loss in peanuts up until the time stated here.

Mr. RUSSELL. Prior to 1949.

Mr. ANDERSON. That is correct.

Mr. RUSSELL. The figures I had must have been for the period prior to that time.

I recognize that it avails nothing to debate the issue before the Senate, as has been disclosed by the vote. I hope the Senate will not defeat the bill because of this amendment. I think it would be a great mistake. Senators may think the idea of reducing production and reducing parity values and reducing their loan value, as is provided in the Aiken bill, meets with the approval of the farmers of the Nation. The Senator from Illinois says it meets with the approval of the farmers of Illinois. Of course, I cannot speak for them, but I venture the assertion that if there were submitted to a referendum or plebiscite throughout the Farm Belt the question whether the farmers approved of a program which cut down the parity value of their commodities, cut down the production of their commodities, and reduced the loan value of their crops, few would approve except the aristocrats of agriculture, the top 5 percent, who have the best lands and best equipment, and can profit by a program of reduced loans, which puts the small farmer out of business. I do not believe anyone besides the aristocrats would support it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Is not the flexible parity based upon the concept that where there is a shortage of supply there is the highest percentage of parity, and where there is an abundance of supply, there is a low percentage of parity?

Mr. RUSSELL. I made my lengthy speech on that subject when the Aiken bill was pending, and I pointed out how it failed the farmer when he needed it most. When his prices were being depressed, and he was having surpluses, the program failed him because it allowed him less for what he produced.

Mr. HUMPHREY. Is it not the philosophy of the flexible parity program to control production by the law of supply and demand?

Mr. RUSSELL. I assume it follows the law of supply and demand.

Mr. HUMPHREY. If that be the case, that there is a control of production through the flexible parity, or at least if that is the theory of it, which I doubt

from some personal observation, is it not true that instead of the 90-percent parity which was advanced by the distinguished Senator from Georgia, a more accurate and more controllable means of production is available under acreage allotment and quotas?

Mr. RUSSELL. Unquestionably. However, it would bankrupt the farmer by requiring him to purchase a great deal of a commodity and selling it below the cost of production.

Mr. HUMPHREY. I should like to ask the Senator whether in his analysis of the Anderson bill, mandatory support for commodities went further than the basic commodities including butterfat and milk, where the Secretary of Agriculture must apply price supports on the basic commodities.

Mr. RUSSELL. I think that was correct.

Mr. HUMPHREY. I thank the Senator.

Mr. RUSSELL. I refer the Senator from Minnesota to the Senator from New Mexico, the author of the bill. Frankly, I have not studied it in all its details as closely as I should have. My chief concern was that we did not drive down agricultural prices so rapidly as to break the integrity of the economy of the farmers.

Mr. HUMPHREY. Has not the Congress seen fit this last year, since the third day of January, to bolster up other segments of the economy?

Mr. RUSSELL. The Senator was not here this afternoon when I referred to the fact that we voted to increase the income of every group in the Nation in our drive toward a \$300,000,000,000 income. It would be impossible, however, to achieve that goal if we started a retreat in the case of the farmer, because all the depressions in this country have originally started with the reduction in farm income.

Mr. HUMPHREY. Will the Senator from Georgia permit me to make an observation, in view of what the distinguished majority leader stated that those of us who voted for the 90-percent parity are literally scuttling the financial solvency of this country. Yet the 90-percent parity will do much to protect the economy of the United States. It puts a reasonable floor under agricultural prices. Mr. President, I lived in South Dakota in the depression days when the law of supply and demand was really operating. The law was the sheriff, and he came down on the poor farmer. There was demand, all right, but the people did not have money to satisfy their demand. That argument with relation to the law of supply and demand does not go over very strong with the junior Senator from Minnesota. The law of supply and demand has not successfully regulated agricultural production. Low farm prices have not in the past discouraged surpluses; in fact, low prices encourage surpluses. Flexible parity sounds good in theory, but the record reveals no positive results in controlling surpluses.

I charge that the flexible parity formula may well be more expensive to the Treasury than the 90-percent parity.

I say this because flexible parity relies on control over surpluses by the so-called forces of supply and demand. The 90-percent parity support has the machinery of acreage allotments and quotas to control surpluses. This not only protects the farmer in his price, but may well protect the Treasury through placing a check on undue surpluses.

I make this observation: The solvency of our country does not rest in the Treasury of the United States. It rests in the farmers and the workers, rather than in the United States Treasury.

Mr. President, the amendment I voted for this afternoon is an amendment which, in effect, says we are not relying upon the orthodox economic law of supply and demand. Reliance upon such orthodox economic theory has brought distress to the American farmer in the past. What we have done this afternoon is to say to the farmer, "We want you to have an adequate income, but if the Government is going to put a floor under your income it is not going to rely upon the uncertainties of automatic operation of the law of supply and demand. We are going to rely on price supports."

Mr. RUSSELL. And price supports.

Mr. HUMPHREY. Yes; and price supports, 90 percent of parity.

The junior Senator from Minnesota had an amendment which was presented in his behalf by the Senator from Montana [Mr. MURRAY], dealing with what my colleague, the senior Senator from Minnesota, has presented—an amendment relating to eggs, chickens, turkeys, and hogs. I urge support of that amendment. I shall support it, and I will tell the Senate why. I shall support it by reason of the very argument that my colleague has so ably presented, because though we have mandatory price supports for many basic commodities, it appears to me we ought not to leave any discretion in reference to some of these most vital commodities which affect great sections of American agriculture.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Will the Senator please explain why he favors a provision relating to pork and not to beef?

Mr. HUMPHREY. I am willing to include beef.

Mr. ANDERSON. Very well. If the Senator favors a provision respecting pork and beef, how about lambs?

Mr. HUMPHREY. All I want to say to the distinguished Senator from New Mexico is that these are vital agricultural commodities. I want a flexible 75 to 90 percent parity on them, unless it is desired to go into full-production quotas, and if we want to go into such a program we ought to have the Brannan plan which, by the way, the junior Senator from Minnesota favors, but on which he cannot get a chance to vote.

Mr. ANDERSON. Mr. President, I move that Senate bill 2522 be recommitted to the Committee on Agriculture and Forestry.

RECESS

Mr. LUCAS. Mr. President, before the motion is voted on, I ask unanimous consent that the Senate take a recess—it

is now a quarter after seven—to 8:30 o'clock p. m.

Mr. ROBERTSON. Mr. President, reserving the right to object, as I understood, the Senator from New Mexico made a motion to recommit the bill. Is that correct?

Mr. ANDERSON. Yes.

Mr. ROBERTSON. Frankly, I cannot see any reason why we should not vote on the motion. With all due respect to our distinguished majority leader, I cannot see how a recess of an hour is going to illuminate our understanding on that issue. I hope the majority leader will reconsider, and let us vote now on the motion made by the Senator from New Mexico, and take a recess afterward.

The VICE PRESIDENT. It is not necessary to ask unanimous consent for a recess. A motion can be made to take a recess.

Mr. ROBERTSON. A motion to recess can be made, but I simply offer that as a friendly suggestion. I do not see how a recess is going to put us in any better shape to know what we are going to do respecting the motion to recommit.

Mr. ANDERSON. I think some Senators are under the impression that a vote would not be taken until after we had a recess. I should like to keep faith with Senators who have such an understanding.

Mr. ROBERTSON. Very well. I have no objection.

Mr. SALTONSTALL. Mr. President, in the interest of clarity of procedure, I ask the Senator from Illinois if it is his intention to consider the Minton nomination tonight?

Mr. LUCAS. It is. It is my purpose to ask the Senate to consider the Minton nomination after we have concluded action on the farm bill. The nomination is an extremely important one.

Mr. SALTONSTALL. I thank the Senator. That is all I wanted to know.

The VICE PRESIDENT. Is there objection to the unanimous consent request of the Senator from Illinois that the Senate take a recess until 8:30 o'clock tonight?

There being no objection, the Senate (at 7 o'clock and 15 minutes p. m.) took a recess until 8:30 o'clock p. m.

EVENING SESSION

On the expiration of the recess, the Senate reassembled, and was called to order by the Presiding Officer (Mr. ROBERTSON in the chair).

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ferguson	Johnson, Colo.
Anderson	Flanders	Johnson, Tex.
Baldwin	Fulbright	Johnston, S. C.
Bridges	George	Kefauver
Butler	Gillette	Kerr
Byrd	Graham	Kilgore
Cain	Green	Langer
Capehart	Gurney	Long
Chapman	Hayden	Lucas
Connally	Hendrickson	McCarthy
Cordon	Hickenlooper	McClellan
Donnell	Hill	McFarland
Douglas	Holland	McKellar
Downey	Humphrey	McMahon
Eastland	Hunt	Magnuson
Eaton	Ives	

Malone	Neely	Taylor
Martin	O'Mahoney	Thomas, Okla.
Maybank	Pepper	Thye
Millikin	Robertson	Watkins
Morse	Saltonstall	Wiley
Mundt	Schoeppel	Williams
Murray	Smith, Maine	Young
Myers	Stennis	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON] to recommit Senate bill 2522.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

Mr. LUCAS. Mr. President, this is a very important question. I think perhaps the Senate should not vote on this question until tomorrow. A number of Senators are away. In view of the importance of the question, I believe every Senator who possibly can be present to participate in the vote should have an opportunity to be in attendance.

There is a nomination on the Executive Calendar which is also very important. It may take some time to dispose of it. It is the nomination of the Hon. Sherman Minton to be Associate Justice of the Supreme Court. I have given notice that the Senate would consider the nomination before we finished tonight. It is now 20 minutes to 9. I believe the best interests of farm legislation will be served by forgetting the farm bill until tomorrow and proceeding to the consideration of the Executive Calendar. I ask unanimous consent—

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAPEHART. Will it be possible to get unanimous consent to vote at a certain hour tomorrow?

Mr. LUCAS. I should be delighted to do that. Of course, if the motion to recommit should prevail, probably some other parliamentary moves might be made. I should be glad to enter into any reasonable agreement.

Mr. CAPEHART. Will the majority leader consider 5 o'clock as the hour for voting on all amendments?

Mr. LUCAS. If the motion to recommit prevails, that will end the question for the moment.

Mr. CAPEHART. Can we get unanimous consent to vote on the motion to recommit at 2 o'clock?

Mr. LUCAS. I am not sure I want to enter into such an agreement. There is another motion that can be made, namely, a motion to reconsider the vote recently taken, which is probably the best parliamentary move to be made. I hope we may more or less suspend debate on the farm bill until tomorrow at 12 o'clock, and then, upon convening, take up the motion of the Senator from New Mexico to recommit, or, if the Senator should desire to withdraw the motion, to take up the motion to reconsider the vote by which the Young-Russell amendment was adopted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Have we not already reconsidered it once?

Mr. LUCAS. We reconsidered it under a different premise from that on

which we would reconsider it now. So I am informed. I took the matter up with the Parliamentarian.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. Reserving the right to object, I believe if we are to get a farm bill at this session we must act very soon. I can see no logic in voting to recommit the bill. I think those who would favor such action would be voting simply to kill the bill entirely and to put into effect the Aiken law.

Mr. LUCAS. I do not agree with the Senator from North Dakota. The bill can be reported within 48 hours after it is recommitted, assuming the Senate will vote to recommit it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. I do not know what it would accomplish to recommit the bill, unless the 90-percent amendment were eliminated, which is the purpose of the motion, and if that were done we would have the whole fight over again on the Senate floor.

Mr. LUCAS. We would have the fight all over again, but I am certain Senators are a little better informed as to what is involved in the bill now than they were when they voted 2 hours ago.

Mr. YOUNG. I think if Senators would inform themselves a little further, they would be more strongly for the 90-percent amendment than before.

Mr. LUCAS. I have great affection for my friend from North Dakota, but I must violently disagree with his conclusion.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my friend from North Dakota.

Mr. YOUNG. How does the Senator expect to overcome the opposition of the House, when every conferee on the part of the House is for 90-percent support?

Mr. ANDERSON rose.

Mr. LUCAS. The Senator and I realize why the Gore bill was passed. Very few of the Representatives who voted for the Gore bill really wanted it. They voted for it for the sole purpose of killing the Brannon plan.

I do not anticipate too much trouble in conference on agreeing on a farm bill, but I do not want to go to conference on the Gore bill with a 90-percent parity on everything, and a Senate bill with 90-percent parity on all basic commodities, and a great many other guarantees, from 75 to 90, that may be written into the bill through amendments. In that event we should probably have a farm bill which in my opinion would not be in the best interests of either the farmers, the consumers, or the country as a whole.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator know any conferee on the part of the House who was obligated to support a 90-percent bill? It seems to me the Representative from North Carolina, Mr. COOLEY, has advocated the Brannon bill. Mr. PACE had advocated the Brannon bill.

Mr. POAGE had advocated the Brannan bill. They certainly were not tied to a 90-percent bill. There is a possibility that if something other than a 90-percent bill were to go to conference, we could remedy the situation in conference.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. I think the statement made by the distinguished Senator from New Mexico is absolutely correct. The House conferees will want 90-percent parity on basic commodities. That is more than the figure stated in the amendment, though not very much. It is more rigid because there would be 90-percent parity all the time.

Mr. LUCAS. I know the Senator from North Dakota is for 100-percent parity. He has expressed himself in committee, off the Senate floor, and on the Senate floor. I know he wants 100 percent; 90 percent is not sufficient for the Senator from North Dakota. I am surprised he has not offered an amendment to make it 100 percent. I am really surprised that he agreed with the Senator from Georgia on 90 percent because the Senator from North Dakota has continually talked about 100-percent parity.

Mr. YOUNG. Mr. President, will the Senator yield that I may answer his observation?

Mr. LUCAS. I yield.

Mr. YOUNG. I wish the Senator would inform the Farmers' Union in my State that I favor 100-percent parity. They are still calling me a 60-percenter.

Mr. LUCAS. I do not care about 60-percenters or 5-percenters. [Laughter.] But the Senator from North Dakota is a 100-percenter, from what I have heard him say in committee meetings, and from the expressions he has made from day to day.

Mr. ECTON rose.

The VICE PRESIDENT. The question is—

Mr. LUCAS. Mr. President, if I may, I yield to the Senator from Montana.

The VICE PRESIDENT. The Chair was going to put the question on agreeing to the unanimous-consent request of the Senator that the bill go over until tomorrow, and that the Senate take up the consideration of the Executive Calendar.

Mr. LUCAS. In the meantime, I yield to the Senator from Montana.

Mr. ECTON. I should like to ask the distinguished majority leader one or two questions.

Mr. LUCAS. I shall be glad to answer them, if I can.

Mr. ECTON. Before I proceed, Mr. President, I should merely like to say I appreciate, and the other Senators who voted with me this afternoon appreciate, the discernment and knowledge and judgment of the distinguished Vice President when he broke the tie by voting "yea" on the amendment.

Mr. LUCAS. I am very happy to know that. It is the first time the Senator from Montana has ever said any good thing about a Democrat in all the time he has been here. [Laughter.] It is wonderful.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator for another question, not for a speech.

Mr. ECTON. I may say I have paid the distinguished Vice President compliments on various other occasions.

Mr. LUCAS. Then it must have been spoken to the wife of the Senator from Montana, and to no one else. No one has ever heard of it before.

Mr. ECTON. I should like to ask the majority leader one or two questions.

Mr. LUCAS. I am ready to listen. I am in a mood to listen.

Mr. ECTON. Is it not true that the amendment adopted this afternoon, commonly known as the Young-Russell amendment, applies to basic commodities only, and then only when they are under a quota system?

Mr. LUCAS. The Senator is of course correct. There is no doubt about that.

Mr. ECTON. That is the way I understand it, also.

My next question is this—

Mr. LUCAS. Did I satisfactorily answer the Senator's question?

Mr. ECTON. Yes; I wanted to acknowledge it. That is the way I understand it.

Mr. LUCAS. Then we are agreed upon that. We are getting along wonderfully well.

Mr. WILEY. There is real harmony existing.

Mr. LUCAS. Yes; we are very much in harmony.

I am willing to listen to the Senator's next question.

Mr. ECTON. I could pay a compliment to the distinguished majority leader.

Mr. LUCAS. I should be glad to have it, because I get so few of them.

Mr. ECTON. This is my question—

Mr. LUCAS. I thought the Senator was going to pay a compliment to the majority leader. I yield for a question.

Mr. ECTON. When a cotton producer, a tobacco producer, a corn producer, a wheat producer, or a peanut producer is operating under the quota system and is required, under the law, to make a reduction in acreage, bushelage, or poundage, or whatever unit may be designated, when he is required to reduce his production 10, 15, 20, 30, or maybe 50 percent—

Mr. LUCAS. That last figure is a little high.

Mr. ECTON. Why is it not fair and just to guarantee a support of 90 percent of parity on his production when he is asked to make such a reduction?

Mr. LUCAS. I do not want to go into that.

Mr. ECTON. The Senator has to go into it.

Mr. LUCAS. I have been into it all day long, and I have been into it before the Senator from Montana ever reached the Senate of the United States.

Mr. ECTON. The junior Senator from Montana knows farm programs from "A to Izzard." I have been an actual producer, so that I know how farmers operate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. I should like to correct the impression of the Senator from Montana. The Russell-Young amendment does not provide 90-percent support only when farmers are required to reduce production. It makes 90-percent support mandatory whenever acreage allotments are proclaimed. The law requires the Secretary to proclaim acreage allotments every year. In other words, he has to proclaim acreage allotments when it may mean an increase in acreage or it may mean a decrease. He is required to proclaim them every year. Therefore the effect of the Russell-Young amendment is to make 90 percent of parity permanently mandatory.

Mr. LUCAS. To guarantee it, regardless.

Mr. AIKEN. Yes. The amendment does not apply only when quotas are in effect; it applies all the time.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ECTON. If a farmer reduces his production either voluntarily or under a mandatory provision, why should he not receive 90 percent of parity on his remaining production?

Mr. LUCAS. Mr. President, I do not care to debate the question any longer, but if the Senator from Montana desires to ask one more question I shall be glad to try to answer it.

In all seriousness, it seems to me that this question is of tremendous importance. I should like to ask unanimous consent that the motion made by the distinguished Senator from New Mexico be considered at 12 o'clock tomorrow and that in the meantime the Senate proceed to the consideration of the Executive Calendar and take up the nomination of Judge Minton to be Associate Justice of the Supreme Court of the United States.

The VICE PRESIDENT. Is there objection?

Mr. YOUNG. Mr. President, reserving the right to object, I should like to clear up a little more of the misinformation to be in evidence. I think the sweetest deal—

Mr. LUCAS. The sweetest deal?

Mr. YOUNG. The best deal—any farmer gets under this program is that given to the dairy industry. For the first time it will get a mandatory support of 75 to 90 percent of parity. Anyone in that situation who would advocate recommitment, it seems to me, would be voting to cut his own throat.

The VICE PRESIDENT. Is there objection to the request that the Senate proceed to the consideration of executive business and that the Senate vote on the motion to recommit at 12 o'clock tomorrow?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I did not understand that was the request.

The VICE PRESIDENT. The Chair did so understand.

Mr. SALTONSTALL. I understood that it was to be taken up at 12 o'clock tomorrow.

The VICE PRESIDENT. That is not the way in which it was phrased.

Mr. LUCAS. Mr. President, I said there was a motion to recommit and that there were probably other motions that could be made. What I intended to say, if I did not say it—and I apologize to the distinguished Vice President for my lack of clarity—was simply to suggest that the motion to recommit be further considered tomorrow.

Mr. ANDERSON. Mr. President, reserving the right to object, I think we may as well vote on it at this time. If we are going to recommit the bill, fine. If we are not, I think we might as well know it and proceed to some other business. I think it is time to vote on a motion to reconsider, with due deference to the distinguished majority leader, for whom I have the greatest affection.

Mr. LUCAS. I do not know that any Senator wanted to make a motion to reconsider.

The VICE PRESIDENT. The motion pending is the motion to recommit the bill. There is no other motion pending.

Mr. ANDERSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. YOUNG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Baldwin	Hickenlooper	Maybank
Bridges	Hill	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Cain	Hunt	Murray
Capehart	Ives	Myers
Chapman	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Donnell	Kefauver	Robertson
Douglas	Kern	Saltonstall
Downey	Kerr	Schoeppel
Eastland	Kilgore	Smith, Maine
Ecton	Langer	Stennis
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarthy	Thye
George	McClellan	Watkins
Gillette	McFarland	Wiley
Graham	McKellar	Williams
Green	McMahon	Young
Gurney	Magnuson	

The VICE PRESIDENT. A quorum is present.

Mr. ANDERSON. Mr. President, I ask unanimous consent to modify my motion, so that the motion will be to recommit the bill to the Committee on Agriculture and Forestry with instructions to report back to the Senate within 48 hours.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico for leave to modify his motion? The Chair hears none, and the question now is on the motion as modified.

Mr. AIKEN. Mr. President, that does not mean that action will be taken in 48 hours. It merely means that the Committee on Agriculture and Forestry has to make some kind of a report in 48 hours.

Mr. ANDERSON. That is correct.

The VICE PRESIDENT. May the Chair inquire whether that means 48 hours from now, or from the time when

the bill is recommitted, if it shall be re-committed?

Mr. ANDERSON. From the time the bill is recommitted, if it shall be.

Mr. SALTONSTALL. Does that mean that the bill will have to have its place newly set on the calendar? It simply comes at the foot of the calendar?

Mr. ANDERSON. That is correct.

Mr. MUNDT. Mr. President, am I to understand that by reporting back the Senator means that the Committee on Agriculture and Forestry is to report back another bill, or simply to bring back a report to the Senate?

Mr. ANDERSON. To bring back a report to the Senate.

Mr. MUNDT. It does not mean the committee is going to bring back a bill?

Mr. ANDERSON. To bring back a bill; yes.

The VICE PRESIDENT. If the Chair may make a suggestion without offending anyone, the ordinary motion is to recommit a given bill with instructions to report that bill back to the Senate within a given length of time.

Mr. ANDERSON. Thanking the Vice President, I so modify my motion, so that it will be a motion to recommit Senate bill 2522 with instructions to report that bill back within 48 hours.

Mr. AIKEN. That does not mean we will have to report it back without changing it, does it?

The VICE PRESIDENT. Of course not; report it back by number.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. The report the committee would bring in would have priority before any other bill that might be before the Senate, would it not?

The VICE PRESIDENT. No; it comes back as if it had never been previously reported. It goes to the calendar.

Mr. MAYBANK. In other words, if the Senate recommit the bill, it goes to the foot of the calendar, and other bills will have so-called priority?

The VICE PRESIDENT. Any Senator can move at any time to bring up any bill that is on the calendar. That will apply to this bill, and to any other bill.

Mr. LUCAS. Mr. President, I wish to disabuse the mind of the distinguished Senator from South Carolina if he thinks that we are recommitting a bill which will not be taken up, because when this bill comes back it will be given high priority. When it comes back it will be taken up immediately.

Mr. MAYBANK. I think it should be given the highest priority.

Mr. LUCAS. I do not know whether it is high or highest.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. I should like to have the motion to recommit restated.

The VICE PRESIDENT. The motion is that pending bill by number, the bill be recommitted to the Committee on Agriculture and Forestry, with instructions to report it back to the Senate within 48 hours.

Mr. McCLELLAN. Report "it" back, or report "a bill" back?

The VICE PRESIDENT. Report it back by number. The committee may change everything in the bill, but it will still be that bill.

Mr. LUCAS. It merely identifies the number of the bill.

The VICE PRESIDENT. That is correct. Is there objection to the modification of the motion? The Chair hears none. The question now is on the motion to recommit.

Mr. YOUNG. Mr. President, obviously the reason for the motion to recommit is to eliminate the 90 percent of a mandatory support price amendment. It is in effect a motion to bring back a bill with lower support levels, which I believe is contrary to the mandate of the last elections. But in all probability it would mean that in the end the Aiken Act would be in effect for next year. We will have enough trouble now trying to get anything through on long range price support legislation before the end of this session. The House conferees definitely are for 90 percent supports and I am sure cannot be persuaded to take lower supports which are more sought.

Mr. ANDERSON. The motion is not designed to do any such thing. The motion is designed to write legislation in the committee, and not on the floor of the Senate. It is on that basis, I think, the bill should be recommitted.

Mr. MAYBANK. I merely wish to make certain that I understand the record clearly. If the Senate votes to recommit the bill, it will be brought back in one form or another within 48 hours, but the bill no longer will have any precedence in the Senate. It goes on the calendar with all the other bills which are now on the calendar, including many other bills, the displaced-persons bill and others. Am I incorrect?

The VICE PRESIDENT. Yes and no. [Laughter.]

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. If the Senator will permit the Chair to state the parliamentary situation, when a bill is recommitted to a committee, it goes back as if it had not been reported. It is reported ab initio to the Senate, takes its place on the calendar, and any Senator can move immediately to proceed to consider it; but it has no priority merely because it has once been before the Senate.

Mr. MAYBANK. Any Senator can proceed to move that another bill be taken up, and if a majority of the Senate vote for the motion, the agricultural bill would be displaced; would it not?

The VICE PRESIDENT. No; any Senator can move to take up any bill, but if a motion is made, for instance, to take up this agricultural bill when it is reported back, a motion to take up some other bill will not be in order. The motion to take up the agricultural bill would have to be voted down in order that a Senator might move to take up another bill.

Mr. MAYBANK. I thank the Chair.

Mr. LUCAS. Mr. President, I can assure the Senator from South Carolina and other Senators that the moment

this bill comes out of the Committee on Agriculture and Forestry, regardless of what form it may be in, the Senate will proceed to consider it, irrespective of whether it has priority over other bills or has not priority over other bills. Furthermore, Mr. President, we are going to get a farm bill of some kind passed at this session, regardless of how long we may have to stay here.

The VICE PRESIDENT. The Chair should modify his answer to the Senator from South Carolina by stating that under the rule a bill must lie over 1 day if there is objection to taking it up on the day it is reported by unanimous consent.

Mr. MAYBANK. I thank the distinguished Vice President, because as I understand, under the motion to recommit the bill is to be reported back within 48 hours, and I understand the majority leader says it will be given the highest priority, for which all of us from the farm States are grateful. But I also understand that one objection can delay the bill further for another day, which would make in all 72 hours. Therefore it might be some time before we get to this bill again. I merely wanted the record to show that.

The VICE PRESIDENT. The question is on agreeing to the motion to recommit the bill. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM (when his name was called). I have a pair with the junior Senator from Georgia [Mr. RUSSELL], who is unavoidably detained. If he were present he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Idaho [Mr. MILLER], the Senator from Utah [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New York would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio and the Senator from New Hampshire would each vote "yea."

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York would vote "yea," and the Senator from Alabama would vote "nay."

The result was announced—yeas 41, nays 29, as follows:

YEAS—41

Aiken	Green	Martin
Anderson	Hendrickson	Millikin
Baldwin	Hickenlooper	Morse
Bridges	Holland	Myers
Butler	Hunt	O'Mahoney
Byrd	Ives	Robertson
Cain	Johnson, Colo.	Saltonstall
Capehart	Kem	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Lucas	Thye
Douglas	McCarthy	Watkins
Eastland	McMahon	Wiley
Ferguson	Magnuson	Williams
Flanders	Malone	

NAYS—29

Chapman	Humphrey	Maybank
Connally	Grain, Tex.	Mundt
Downey	Johnston, S. C.	Murray
Eaton	Kefauver	Neely
Fulbright	Kerr	Pepper
George	Langer	Stennis
Gillette	Long	Taylor
Gurney	McClellan	Thomas, Okla.
Hayden	McFarland	Young
Hill	McKellar	

NOT VOTING—26

Brewster	Knowland	Sparkman
Bricker	Leahy	Taft
Chavez	Lodge	Thomas, Utah
Dulles	McCarran	Tobey
Ellender	Miller	Tydings
Frear	O'Connor	Vandenberg
Graham	Reed	Wherry
Hoey	Russell	Withers
Jenner	Smith, N. J.	

So Mr. ANDERSON'S motion to recommit Senate bill 2522 with instructions to report it back within 48 hours was agreed to.

Mr. BUTLER. Mr. President, in view of the fact that the farm bill is expected to be reported back to the Senate within 48 hours, I ask unanimous consent to have printed in the RECORD statements made relative to farm legislation, particularly relating to several items contained in the farm bill, made by several leaders in the cooperative marketing movement, including the declaration of national marketing policy made at Chicago, on September 29 and 30, by representatives of farm cooperative marketing associations in the fields of cotton, grain, tobacco, and wool.

There being no objection, the statements and declaration were ordered to be printed in the RECORD, as follows:

STATEMENT BY AKSEL W. NIELSEN, GENERAL MANAGER, WESTCENTRAL COOPERATIVE GRAIN CO., OMAHA, NEBR., BEFORE THE REPUBLICAN NATIONAL FARM CONFERENCE, SIOUX CITY, IOWA, SEPTEMBER 23-24, 1949

Mr. Chairman and members of the committee, I am Aksel W. Nielsen, general manager of the Westcentral Cooperative Grain Co., a cooperative grain marketing association with headquarters at Omaha, Nebr. I am also secretary-treasurer of the National Federation of Grain Cooperatives, made up of similar organizations in all major grain-producing areas.

I appreciate this opportunity to express my views respecting national agricultural policy, especially as it relates to the marketing of grain. To the best of my ability, I will attempt to express the views of other grain cooperative organizations also.

If the Commodity Credit Corporation proceeds as rapidly as it has in the past 12 months, it will soon have monopoly control over all grain merchandising in this country. We will then have a nationalized system of grain marketing.

It is, perhaps unconsciously, making an unnecessary and undesirable invasion of a field of private enterprise which is already well served by individuals, partnerships, incorporated firms, and farm cooperatives. There is vigorous competition among those in this field, and no real need for an additional entry by CCC has been proved.

Apparently legislation will be necessary to restrain the Commodity Credit Corporation—certainly there is little or no evidence of self-restraint. The legislation under which the CCC functions is broad, often very general, and unless some specific curbs are enacted into law, we can expect it to move steadily into a dominant, controlling position with respect to all aspects of grain marketing. This does not appear to have been the intent of Congress—but it is happening anyhow.

Individuals, partnerships, incorporated grain firms, and farm cooperatives can compete with one another, and those whose existence is justified will survive. Meantime, through competition, they provide an efficient, low-cost marketing service for producers and consumers.

But they cannot compete with the Government and survive. If they are wiped out of the picture and the Government, through CCC, monopolizes more and more grain-marketing functions, the service realized by farmers and consumers will certainly become poorer. I am sure that it is not necessary to destroy the existing marketing system. The present CCC trend should be halted.

What has happened to support my conclusion?

Already, in 2 years' time, the trend in the expansion of CCC's functions has become unmistakable.

Two years ago grain supplies were relatively short. In view of that situation, cataloged as "an emergency," CCC had assumed a monopoly in the export of wheat, flour, and other grains. However, it utilized domestic marketing facilities in procuring grain for export, and it left the field of domestic selling strictly alone. But all that underwent change as grain supplies became more ample this year.

Last May, for the first time in many years, CCC acquired large quantities of wheat under the price-support programs through the maturing of loans and purchase agreements.

Normally the movement in grain is from the farm to country elevators, then to subterminals and terminals, and then to seaports for export or domestic mills for processing. This "normal" pattern of handling and marketing grew up over a period of many years with heavy investment in facilities for efficient, low-margin handling. Few com-

modities are handled at such low unit marketing costs as is bulk grain.

Last spring, however, CCC decided to introduce radical changes in this system of handling. It found most elevators filled with loan grain. Instead of emptying terminals and subterminals, thus opening the system to full functioning, CCC decided to take possession first of loan grains on farms and in country elevators, sending these directly to ports. It arranged to have these grains mixed, blended, and processed as necessary at ports; it simply bypassed the subterminal and terminal facilities. It reduced its procurement program. As a result, subterminal and terminal facilities were unable to do their part in handling the new crop. Many were filled to the eaves through most of the new-crop movement.

This movement, as directed by CCC, disturbed the whole system of handling grain, rendered the system less efficient, and tied up transportation facilities with an uneven flow to ports which resulted in congestion one week and a shortage of supplies during other periods. Except for the fact that the wheat crop deteriorated greatly in the latter part of the growing season, the situation would have been far worse, but it was seriously wasteful in any case.

Meantime, CCC invaded the domestic selling or merchandising field in a subtle camel-in-the-door-of-the-tent manner. It began trading lots of grain in one position, say, at an interior point, for another lot in store at or near a port. These trades are known to have taken place in substantial volume, but it is difficult to establish the specific terms applicable to each. They are veiled in mystery.

The result is that open competition has been bypassed, too. The trades have disturbed protein premiums and other price factors in the various markets without warning of any kind and without traders having an equal opportunity to participate in the trades. It is obvious that this development will lead in these directions:

1. To trades that will result in favoritism.

2. This type of trading will lead to a weakening of the demand for millers and other users of grain as they turn from their regular suppliers more and more to CCC.

No private business, whether it is owned by one individual or 100,000 farmers, can afford to take the losses that are involved in competing with a Government agency which has financial resources running into the billions. A business loss that might wipe out an old partnership or a co-op with 25,000 members could be just an unnoticed series of ciphers on the books of CCC.

In the case of corn, the expansion of Government-owned storage facilities, now under way, poses another series of problems that may prove disastrous to country elevators, cooperatively owned by farmers or otherwise. Large bins are being erected on hundreds of sites in the Corn Belt, with CCC entering into real-estate rental agreements with options to buy the land. Plans for putting in scales and handling equipment are being made. Country elevators soon will find themselves competing with a new system of establishments owned and operated by the Government.

If CCC is not restrained, it is easy to see who is in the best position to win that struggle.

It is restraint, not destruction, of CCC that I propose. There is a substantial difference.

Our farmer-members believe price supports are helpful to them. But they believe also that a system of price supports does not mean that the Government needs to invade and occupy the whole field of grain marketing any more than a system of price supports requires the Government to invade and occupy the field of grain production.

Congress has said on occasions in the past that "normal trade channels shall be employed so far as is practical," or words to that effect. Such language has been intended to restrain CCC, to instruct it to use existing trade facilities.

But, unless that word "practical" is defined, its power of restraint will be only a thin whisper. It will be of no significance while the march on to nationalization of grain marketing proceeds quietly, undramatically.

In the case of farm marketing cooperatives, many of you are aware of the many sacrifices made by farmers over the years to establish co-ops as a competitive force. Farmers have been encouraged by the Government to cooperate, to reduce marketing margins, to employ good business methods, to improve grading, and to stress quality factors. A lot of progress has been made.

Is all that which has been sacrificed and achieved to be forgotten now? Is it sensible for all to stand idly by as the Government, through CCC, gradually pre-empts this field of marketing activity?

In the fields of tobacco, cotton, peanuts, and other farm commodities developments somewhat similar are to be noted.

An investigation should bring out the facts. There is no substitute for a painstaking congressional study of this development. Call in the people who are living with this development and get the facts.

Such an investigation needs to be undertaken without delay as the basis for a remedy which must find expression in legislation that will definitely and finally instruct CCC as follows: "Here is the line; here you come to a dead stop before invading the field of existing individual, corporate, and cooperative enterprise."

To tell the CCC in general terms to stop, to restrain itself at a point which it considers practical is to exercise no restraint at all. It will find excuses for substituting itself for others. It will drift on into this field as has been so evident in many countries abroad. For Congress to leave this matter to the judgment of CCC officials, who come and go, would be a serious mistake, costly to correct. Indeed, if you leave it to CCC, count CCC in right now; and when CCC is in, everyone else is out.

Action before 1949 crop loans and purchase agreements mature next April is essential.

For Congress, it is no impossible task. It has written restraints before into legislation to cool the ambitions of power-hungry bureaucrats. It has legislated restraints in the grain marketing field which corrected abuses of the past. It can save the existing values of our present grain marketing system. I hope it will act promptly.

STATEMENT BY ROY F. HENDRICKSON, WASHINGTON REPRESENTATIVE, NATIONAL FEDERATION OF GRAIN COOPERATIVES, WASHINGTON, D. C., BEFORE THE REPUBLICAN NATIONAL FARM CONFERENCE, SIOUX CITY, IOWA, SEPTEMBER 23-24, 1949

Mr. Chairman and members of the committee, the present trend of agricultural legislation and administrative action is rapidly moving the United States Government into the business of farm marketing. The approach may seem subtle to those who have not studied this subject, but to those who are in the business of marketing commodities on behalf of farmers—and I am now speaking of grain marketing cooperatives—the process is about as subtle as an ax.

The Commodity Credit Corporation is now directly responsible for handling an increasing volume of wheat, corn, and other grains; it is deeply involved in the handling of tobacco, wool, cotton, potatoes, and many other commodities. Its business in handling

farm products is marked by less and less restraint.

And now it is proposed, by law, to establish a general sales manager for this whole operation of marketing in which the Government has become so deeply engaged. There is pending in the Senate at this time S. 2522, the so-called Anderson bill. Section 412 of this proposal reads as follows:

"The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture in Charge of Sales Operations. It shall be the duty of such Assistant Secretary, subject to the supervision and direction of the Secretary, to plan and carry out, through the Production and Marketing Administration, the Commodity Credit Corporation, and other agencies within the Department of Agriculture, programs for marketing and otherwise disposing of agricultural commodities and products acquired through price support and other activities of the Department. In planning and carrying out such programs such Assistant Secretary shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels. Such Assistant Secretary shall, ex officio, be one of the directors of the Commodity Credit Corporation provided for by law. Programs affecting the disposition of property of the Commodity Credit Corporation shall be subject to the approval of its board of directors and the Secretary. Such Assistant Secretary shall be compensated at the same rate as the other Assistant Secretary of the Department of Agriculture, and shall perform such additional functions as the Secretary may assign."

Here we have the formal step to consolidate the invasion of the marketing and merchandising fields, which is under way using different methods and different techniques for the different commodities. This is the capstone of the new edifice called "nationalized farm product marketing."

The establishment of this additional Assistant Secretary in Charge of Sales Operations, a kind of super-duper sales manager for the Nation, means that in a relatively short time we will have district and regional sales managers, sales managers in the various States and Territories, and, ultimately, sales managers for the commodities acquired in the various counties of this country.

What methods is this sales manager to employ? Is he to supervise the new system of trading which has been carried on more or less in secret for some months past by the Commodity Credit Corporation, involving the trading of lots of grain in an interior position for lots of grain at port positions?

I read of no requirement in the proposed legislation which would establish this sales-manager position requiring that there should be competitive bidding, open bidding, or anything else. So one can only conclude that, in addition to spawning a vast new bureaucracy of United States sales managers, the new system will spawn a whole new hierarchy of 5-percenters. There will be 5-percenters specializing in contacts with Government sales managers for cabbage; another batch for corn, and a dozen or more flitting around, if not in, the rye. A new era for playing favorites in the disposition of the produce of the land will come with overtones of onions and hamburgers all in the raw.

It will mean that sales will be made by stealth, in secret, without any consideration for those who are already engaged in this field of activity, including cooperatives which farmers have established in many localities and terminal markets over a period of many years.

Note again the language of section 412, which states that the new General Sales Manager-Assistant Secretary "shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels."

Trying to find customers for wheat, corn, grain sorghums, oats, barley, and rye in any section of the country or, for that matter, in any section of the world is the function which those now engaged in the marketing of grain are doing to the best of their ability. Has there been a demonstrated failure on their part which requires that the Commodity Credit Corporation enter into competition with them so that customers in search of cereal or feed grains might better be served? There is not one single bit of evidence to that effect.

No one—whether an individual, a partnership, a corporate firm, or a cooperative backed and supported by loyal farmer-members—can compete with a Government agency headed by a general sales manager with the rank of Assistant Secretary of Agriculture, with wide-open authority to invade this field of marketing without regard to the effect or influence upon those who are already engaged in this work.

Perhaps the establishment of this general sales manager's position in the Government of the United States is to be a forerunner of the establishment of such positions as the following: United States general sales manager for copper; United States general sales manager for coal; United States general sales manager for oil; United States general sales manager for office furniture; United States general sales manager for printing and binding; United States general sales manager for steel and iron.

Just because the Government is in the field of supporting farm prices—an activity which can be well and separately justified—is no excuse for invading the whole field of marketing activity which is now rapidly under-way.

Without prejudice with respect to other provisions of S. 2522, the Anderson bill, I sincerely request that prompt steps be taken to defeat section 412. That will put an end not only to this provision for establishing a sales manager with the rank of Assistant Secretary of Agriculture but also to the vast implications of substituting Government for those who are now engaged in serving the farmer in the marketing and handling of his commodity.

Let us take a look also at what is happening in the field of grain storage, where the Department of Agriculture recently announced the acquisition through purchase of steel, wood, and aluminum bins with a storage capacity exceeding 190,000,000 bushels. At the same time the Department announced that it is prepared to expand this volume to 500,000,000 bushels. Remember that these steel, wood, and aluminum bins are the property of the United States Government and are being erected on land with a rental agreement of from 5 to 10 years, with an option for the Government to buy.

The Government has decided, apparently, to go into the storage business in a big way. Why was the field of grain storage and handling so selected?

The practice of the United States Government for some years past has been that, where production or handling capacity in some line or other was lacking and where the national interest would be served, the RFC would make loans to those already trained and experienced in that field of activity to expand plants or facilities.

During the war, our capacity to produce steel was thus expanded; our capacity to acquire and stockpile materials from abroad was increased; similarly, the capacity of our shipyards was increased, and ditto for air-

plane plants and many other lines of activity.

Why should we now, in peacetime, abandon the principle of utilizing and mobilizing know-how, experience, background, and training—which was invoked during wartime when the need for speed and sure action was even greater than it is at present?

No offer has been made by the Commodity Credit Corporation to make loans to individuals, businesses, partnerships, corporations, or farm cooperatives to expand storage of corn, of wheat, or any other grain by a single bushel. It is true that offers have been made of loans to individual farmers to finance up to 85 percent of the cost of construction of storage bins with 5 years or more to pay at 4 percent interest. It is true that, if 6 farmers or 66 farmers desire to go together and build in the aggregate and more cheaply such storage as they might individually build under this loan program, they are disbarred from thus associating themselves together.

So CCC goes ahead on its own, investing millions of dollars in storage without trying to induce anyone else to do it more cheaply by offering a loan program of any kind.

Millions of dollars have been invested in storage capacity over the years. Cooperatives have built privately very substantial storage facilities in the last several years, including this present year, and they will build storage during the coming year.

But they are uncertain as to how far they should go because, while they are not eligible for CCC loans to expand storage in a field in which they have background and know-how, they cannot be certain but that America's capacity to store grain might by sudden decision of the Commodity Credit Corporation be doubled or even tripled irrespective of the volume that is certain to be stored in the years to come. They cannot compete with the Government, least of all with a whimsical Government.

Why is the Government permitted to compete in this unhampered way?

Why is the RFC approach, which is considered to be good enough for steel, shipbuilding, and many other lines of activity, estopped from being utilized as an arm of national policy in the grain storage field?

Gentlemen, it all adds up to this. We are drifting, subconsciously or by design—I can't tell you which—steadily and rapidly in the direction where the Government through CCC will dominate the whole field of farm marketing and the handling of farm products once they leave the farm. This trend is not confined to grain.

If this is to be the design of the future, let it be adopted as a conscious policy and not as the product of drift and confusion.

It is much more nearly honest, if the policy is to be one of socialization or nationalization of these functions, for the Government to issue interest-bearing bonds to buy out those who are in the business now. Let those now in the business be at least honorably discharged from their chosen fields of activity. That would be the more honorable course instead of steadily, day-by-day, week-by-week beating a stealthy invasion of the farm marketing field to a point where, faced by the impossible threat of governmental competition, those who are now in the field are dishonorably discharged from their activities through processes of attrition and bankruptcy.

You cannot compete with the Government. That has been demonstrated repeatedly, and farm cooperatives understand the consequences of a governmental invasion of their fields of activity as surely as any other private enterprise.

No finding has been made as to the necessity of the establishment by the Government of a yardstick of competition in this field. None whatsoever. Nevertheless, we find the CCC engaged in grain trading, tre-

mendously increasing its storage and handling capacity and, to crown it all, legislation on the calendar of the Senate calling for the creation of a great new position of general sales manager of farm commodities acquired by CCC. Is that utilizing the normal channels of trade?

These developments have come so steadily that it is hard not to believe that they come as a result of a careful plan of design. Someone must have concluded that a yardstick of competition is necessary and that the Government should quietly move into this field. Someone. Somewhere.

Let's hear from him. Let him state his case. Let's look at the facts instead of just drifting along.

But if he does not speak, if he does not present evidence for the need of nationalizing the marketing of farm products, let this program be challenged here and now. The first great opportunity to arrest this trend will come in the next few weeks in Congress. Section 412 of the Anderson bill can be stricken out, and a new section written that will insure the use of normal channels of trade.

If a stop is not put to this business of setting up a general sales manager, it is just a matter of time before you will have a Government sales manager for surplus farm products in every county and township in the Nation.

And then we can have 5-percenters, not in Washington alone, but everywhere that Government bins and cribs and storehouses are filled with corn or lard or pork. That will be decentralization with a bang.

There is time to halt this trend toward the creation of a new and unnecessary marketing system for farm products. Call in the men who have been servicing farmers over the years. They will supply the facts. The principle to be written into law is not complicated. It is simply that the Government shall stop, back up, and cease and desist, once and for all, from invading a field of activity that is already well served.

DECLARATION OF NATIONAL MARKETING POLICY

At a meeting jointly sponsored by the National Council of Farmer Cooperatives and the National Federation of Grain Cooperatives, in Chicago, September 29 and 30, representatives of farm commodity marketing associations in the fields of cotton, grain, tobacco, and wool agreed upon the following declaration of national marketing policy:

We are convinced after careful study that the Department of Agriculture, through the Commodity Credit Corporation, is steadily invading the field of farm marketing to an extent where the best interests of American agriculture are in jeopardy.

We have come reluctantly to this conclusion. We feel further that this development does not follow the conscious design or intent of the President, the Secretary of Agriculture, or of Congress.

Farmers and consumers will not gain by the substitution of programs of action by the Government for the exercise of free-enterprise activity by individuals, partnerships, corporations, and by farmers themselves through their cooperative marketing associations. Instead, such activity by the Government will lead to inefficiency, high costs, and to abuse.

The many problems incident to price-support-and-purchase programs, including the handling of surpluses, whether of cotton, grain, wool, tobacco, or any other farm products, does not require substituting Government activity for private enterprise. Instead, these problems require teamwork of the highest order between Government and skill, wisdom, and know-how acquired through long experience by men and institutions specialized in finding markets for the many products of American farms.

The policy of the Government moving into the farm marketing field also marks the reversal of the long-standing policy of the Government to foster and encourage self-help and cooperation among farmers.

We urge that the Department of Agriculture reexamine all of its commodity programs with a view of withdrawing from the field of farm marketing to the greatest extent possible at the earliest possible time.

Instead, it should employ usual and customary channels of trade and avoid needless and costly governmental action.

There is a critical need for reexamination by Congress and the Administration of the trend toward a Government monopoly of farm marketing. Day by day and week by week evidence piles up of a further drift in this direction by the Commodity Credit Corporation that leads on only to ultimate nationalization.

Action by Congress is required. As an example of this, the Senate has under consideration this week in S. 2522 (the Anderson bill) a proposal, section 412, which would legitimize the present trend toward nationalization and advance it substantially.

This section would establish an additional Assistant Secretary of Agriculture "in charge of sales operations." Creation of this new and unnecessary position would result in the expansion of commercial activities by Commodity Credit Corporation.

The Senate should defeat this section, and to arrest, once and for all, this trend it should adopt a substitute section reading:

"In acquiring, storing, and disposing of commodities through loans, purchases, and otherwise, the Secretary of Agriculture shall employ usual and customary channels of trade unless, after due notice and hearing, he finds that such usual and customary channels are inadequate for the acquisition, handling, storage, and disposition of such commodities."

Such positive legislative action would assist materially in a mobilization of the energies and resources of private enterprise in selling farm products. It would give new heart to those dismayed and discouraged by the consistent growth of the socialization of farm marketing.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceed to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nomination on the calendar will be stated.

NOMINATION OF SHERMAN MINTON TO BE ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

The legislative clerk read the nomination of Sherman Minton, of Indiana, to be Associate Justice of the Supreme Court of the United States.

The VICE PRESIDENT. The question is: Will the Senate advise and consent to this nomination?

Mr. FERGUSON. Mr. President, I do not rise at this time to oppose confirmation of the nomination of Sherman Minton to be an Associate Justice of the Supreme Court on the strength of any convictions which I may have arrived at as to his qualifications or lack of qualifications for that office.

It is rather because of an absence of any certain knowledge which would permit me to arrive at definite conclusions

that I am moved to record my disapproval.

The Constitution imposes upon the Senate of the United States an obligation to advise the President on his appointments to the Supreme Court. In the absence of such information as is usually brought forth in committee proceedings, upon which I might conscientiously base my advice, I feel obliged to withhold my consent.

The Judiciary Committee has an obligation to the Senate to hold hearings, to hear Judge Minton, and to get all pertinent information which will enable the Senate as a whole to perform its constitutional function. How can the Senate as a whole advise and consent if it is not in possession of all the pertinent facts? The Senate should now recommit the nomination of Judge Minton to the Judiciary Committee so that it may faithfully perform its true functions.

It is quite true that on the basis of his past record in public office and certain utterances by him which had the appearance of stating a political philosophy, I would be inclined to question Judge Minton's fitness for the Supreme Court. I think it is very pertinent to know whether a nominee to the lifetime office of Justice of the Supreme Court holds a philosophy which may be contrary to the foundations of the Republic.

I think that any nominee's views on freedom of the press, for instance, are vital. If they should prove in any way contrary to the institutions provided in the Constitution, it is doubly vital to know also whether a nominee may entertain the notion that his personal political views should prevail over the supreme law of the land as it is stated in the Constitution.

For my own part, I have always held to the belief that a judge construes the law and does not make it. To do otherwise is to take over the legislative functions. It is my belief that a judge must base his decisions on what the law is, not on what his own political inclinations may lead him to feel the law should be. It is the will of the Legislature which is to be construed and squared with the Constitution and not the will of the Justice.

In short, I have never subscribed to the theory that the Constitution is but wax in the hands of the judiciary. I believe the Constitution must be respected for what it is, the supreme law of the land.

There is enough in the public record of Sherman Minton to indicate grounds for serious doubts as to his present position on such vital matters as these. It is his present position which is the sole concern of the Senate at this time. To be sure, it is possible that one could deduce his present beliefs from the past record. But the process of deduction cannot be satisfactory in a case of this nature. Such doubts as may exist on his present beliefs could only be resolved by the personal, direct, and current expression of the nominee himself. Such an expression we have not had.

The circumstances under which Judge Minton's nomination has reached the floor are, of course, familiar to Senators. In the light of various representations with respect to Judge Minton's fitness for the appointment under consideration, the Judiciary Committee of the United States Senate requested his attendance before it in order that he might be personally interviewed.

I supported the motion to request Judge Minton's attendance before the committee because I consider it altogether fitting for this body to ascertain to its own satisfaction and by such means as it thinks proper the basis upon which it is to extend its constitutional "advice and consent" to any appointment.

I am informed that Judge Minton agreed to appear and that his appearance was set down for last Monday morning at 10:30 o'clock. But when the committee assembled on Monday to hear Judge Minton there was delivered to it a letter, signed by the nominee, in which he stated his disinclination to attend. The committee thereupon reconsidered its previous direction and order, which was on a motion which had been carried. That order required his personal appearance. The committee then set aside the order and proceeded to report the nomination favorably to the Senate, without hearing from the judge.

A research has not indicated whether or not there are precedents for the refusal of a nominee to the Supreme Court to appear before a Senate committee, and particularly the Judiciary Committee. Any such incident, if it has occurred in the past, apparently is not a matter of record.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. I beg to refresh the Senator's recollection on that matter. There was no refusal. He asked, after the facts were brought out, if the committee still insisted upon his appearance. There was no refusal.

Mr. FERGUSON. The letter will speak for itself.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DONNELL. I have in my file a copy of his letter. There is no statement indicating that he was willing to come if the committee should so decide.

Mr. FERGUSON. I recall nothing of that nature in the letter.

Mr. KILGORE. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. The Senator from Missouri misquoted me. I did not say that. I said that in the end he did not refuse to come. He simply—

Mr. FERGUSON. Did not come.

Mr. KILGORE. Mr. President, will the Senator yield to me long enough to read the last paragraph of the letter into the Record, so as to get the truth before the Senate?

Mr. FERGUSON. The Senator from Michigan is very anxious that the truth

be brought out. I wish the Senator would read it. I shall be glad to place the letter in the Record at the conclusion of my remarks.

Mr. KILGORE. May I read the concluding paragraph of the letter at this time?

Mr. FERGUSON. Yes; I shall be glad to have the Senator do so.

Mr. KILGORE. The concluding paragraph of the letter is as follows:

While it is my desire to comply with any reasonable request of the committee, I am constrained at this time to call to its attention the serious questions of propriety and policy which I have endeavored to outline in this letter.

Mr. FERGUSON. And the judge did not appear. Any such incident—that is, the failure of a person to appear after he had been requested to appear and the time had been set in accordance with his expression as to when he should appear—that has occurred in the past, apparently—is not a matter of record, which fact should be noted by the Senate.

The closest approach to such a circumstance was in connection with the nomination of Justice Felix Frankfurter, who appeared before the committee in 1939 and answered certain questions relating to his past record, although in a preliminary statement he had said:

I should think it not only bad taste but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record by present declarations.

Judge Minton's letter, read to the Judiciary Committee, adopts a line of reasoning which closely parallels that statement of Justice Frankfurter's. I have studied both statements with care. I can only say that it is not possible for me to agree with their conclusions.

Each Senator must decide for himself how he will vote on this question, but I can only repeat that I consider it my constitutional obligation to satisfy myself completely before I can give my advice or my consent to any nomination, including one to the Supreme Court. If I can satisfy myself only by requiring the personal attendance of a nominee, to explore with him the record and the philosophies which in my opinion bear upon his qualifications, I feel it my duty to insist upon such an appearance, and to withhold advice and consent if the duty is not discharged.

Mr. President, this is the second instance within recent weeks when the Senate of the United States has been foreclosed from an opportunity to fully satisfy itself in advance of extending advice and consent to a nomination to the Supreme Court of the United States. I draw no further parallel between the nomination of Judge Thomas C. Clark and Judge Sherman Minton. However, there is suggested in both cases a development which I think is a most dangerous threat to the processes of representative government: It is the break-down which occurs whenever the legislature is required to act through a blind spot.

On numerous occasions in the past, I have called attention to this development as it has arisen from an executive de-

partment policy of withholding vital information from the Congress. I am informed that just recently the FBI reports were withheld from the Committee on Interstate and Foreign Commerce, in connection with the nomination of Leland Olds. The present situation, however, involves the question of whether Congress itself will set up barriers against the obtaining of full and proper information for its own guidance and for the enlightenment of the public.

Both circumstances have arisen, of course, through the imposition of majority will. I say, however, that such an imposition of majority will is treading dangerously toward the suppression of minority expression, which is the certain road to totalitarianism.

It is most regrettable, Mr. President, that the present incident should again involve the judiciary, and the highest court in the land. I am keenly sensitive to a feeling throughout the Nation which is assigning to the Federal judiciary and to the Supreme Court a stature far below that which good policy, as pronounced in the doctrine of separated powers, and tradition, based on respect for the law as an institution, have always reserved for the courts.

The kind of proceeding with which we are confronted here, in which parties of interest have been shut off from making a record on the qualifications of the nominee, is of the sort which causes the public to say "What is the use?" It is a proceeding of the sort which creates an apathy on the part of the public. Apathy is one of the most dangerous of all ailments that may beset a people, for it simply is not good that the public should lose interest in its judiciary or in its government.

One possible explanation of the derogatory sentiment for the judiciary and of the present public apathy, as I see it, is the dominance on the bench of representation from one political party.

It has been made a part of the Judiciary Committee record that since 1933, 194 out of 192 appointments to the Federal bench, or about 96 percent, have been from one political party, the Democratic Party. This is an unbalance which undermines full faith in the judiciary.

I am not suggesting, of course, that membership in a political party should be a qualification or a test of disqualification for the judiciary. Political parties are unknown in the Constitution. But as they have evolved in the United States into an effective two-party system, they represent an expression of majority and minority interests whose interplay was guaranteed by the Constitution as the genius of American Government.

A fair balance in the judiciary between political parties is vital. It is vital, not because of any concern for party representation as such, but because the balance is a source of public faith in the integrity of the judicial system as the protector of all interests.

No political party should ever say in its appointment to the judiciary that "To the victors belong the spoils," for

that would only lead to having political parties control the courts without regard for justice.

I believe it is the function of the minority to bring matters such as these to public attention.

The system of checks and balances which characterizes our Constitution is a reflection of this Nation's dedication to the rights and interests of minorities. The first 10 amendments to the Constitution are, in particular, limitations upon the majority. The spirit in which the Constitution and the Bill of Rights were formed is given expression in the challenging statement by John Stuart Mill in his *Essay on Liberty*:

If all mankind minus one were of one opinion, and only one person were of a contrary opinion, mankind would be no more justified in silencing that one person than he, if he had the power, would be justified in silencing mankind.

The fear that an unbridled majority would lead to tyranny of a sort worse than that imposed by any autocracy, may be read throughout the debates in the Constitutional Convention, in the *Federalist Papers*, and in the Constitution itself.

No. 51 of the *Federalist Papers*, presumably written by Madison, because it so closely follows his reasoning on other occasions, perfectly describes the principal characteristic of the representative Republic which the Constitution created:

It is of great importance in a Republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustices of the other part. Different interests necessarily exist in different classes of citizens. If a majority be united by a common interest, the rights of the minority will be insecure. Justice is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it be obtained, or until liberty be lost in the pursuit. In a society under the forms of which the stronger faction can readily unite and oppress the weaker, anarchy may as truly be said to reign as in a state of nature, where the weaker individual is not secured against the violence of the stronger.

Alexis de Tocqueville, the French political scientist, made the first objective study of American democracy in action in 1831. Throughout that study he expressed the fear which was common to all prior political scientists and the founding fathers, a fear of the tyranny of the majority. He was led to say, "If ever the free institutions of America are destroyed, that event may be attributed to the unlimited authority of the majority."

De Tocqueville's fears have not proved justified, however. This has been so because the philosophical considerations which motivated the founding fathers have been translated into a simple doctrine which lacks any formality of expression except in its history and its tradition. Yet it is the practical core of American Government in operation. It takes form in the functions of the two-party system. It is the doctrine that significant minorities should be persuaded, not coerced. It rests on the theory that no group should be able to impose its own opinions, views, or in-

Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. KEFAUVER:

S. 2643. A bill amending the Independent Office Appropriation Act, 1950, as respects readjustment benefits for veterans; to the Committee on Labor and Public Welfare.

By Mr. BUTLER:

S. 2644. A bill to provide for the transfer of certain mares of the Remount Service to the University of Nebraska; to the Committee on Agriculture and Forestry.

(Mr. MAYBANK introduced Senate Joint Resolution 134, to amend the National Housing Act, as amended, and for other purposes, which was considered, read the third time, and passed, and appears under a separate heading.)

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina submitted the following resolution (S. Res. 179), which was referred to the Committee on Rules and Administration:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized during the Eighty-first Congress to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed \$3,000 (in addition to amounts heretofore made available for such purposes), shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H. R. 2087. An act for the relief of Joseph T. Sytko; and

H. R. 2854. An act for the relief of Wade H. Noland; to the Committee on the Judiciary.

H. R. 3605. An act to provide for the documentation of the Canadian-built vessel *North Wind* owned by a citizen of the United States; to the Committee on Interstate and Foreign Commerce.

H. R. 2919. An act authorizing the issuance of a patent in fee to Paul High Horse and Anna High Horse; and

H. R. 5105. An act to authorize the sale of certain allotted inherited land on the Pine Ridge Reservation, S. Dak.; to the Committee on Interior and Insular Affairs.

INCREASE OF COMPENSATION OF CERTAIN EXECUTIVE OFFICERS—RESIGNATION AND APPOINTMENT OF CONFEREES

Mr. FLANDERS. Mr. President, I tender my resignation as a member of the committee of conference on the bill H. R. 1689, to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies.

The VICE PRESIDENT. The resignation will be noted.

Mr. FLANDERS. I may say the chairman of the committee was prepared to submit a new candidate for that high office, but he evidently has left the Chamber.

Mr. JOHNSTON of South Carolina subsequently said: Mr. President, since the junior Senator from Vermont [Mr. FLANDERS] has resigned from the conference committee on the executive pay bill, I ask that the Senator from Minnesota [Mr. THYE] be appointed in his stead.

The VICE PRESIDENT. Without objection, the Chair appoints the Senator from Minnesota [Mr. THYE] a conferee in place of the Senator from Vermont [Mr. FLANDERS].

GIVE-AWAY SHOW WEAKENS AMERICA— ADDRESS BY SENATOR WHERRY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an address entitled "Give-Away Show Weakens America," delivered by him before the Frozen Food Locker Institute, at Chicago, Ill., on October 4, 1949, which appears in the Appendix.]

THE FARM PROGRAM—ADDRESS BY SENATOR AIKEN

[Mr. THYE asked and obtained leave to have printed in the RECORD an address on the farm program, delivered by Senator AIKEN at Blue Earth, Minn., on September 24, 1949, which appears in the Appendix.]

THIRD ANNUAL HARVEST OF HARMONY

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD a statement entitled "Third Annual Harvest of Harmony," prepared by him, relating to the program of the Society for the Preservation and Encouragement of Barber-Shop Singing in America, Inc., which appears in the Appendix.]

THE POLL TAX—PROPOSED AMENDMENT TO VIRGINIA CONSTITUTION

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD an article entitled "Proposed Vote Reforms Defended," published in the Roanoke (Va.) Times of October 2, 1949, which will appear hereafter in the Appendix.]

TRADE RELATIONS WITH RUSSIA AND OTHER COUNTRIES BEHIND THE IRON CURTAIN

[Mr. IVES asked and obtained leave to have printed in the RECORD an article entitled "Iron-Curtain Threat," written by A. N. Spaul, chairman of the International Latex Corp., and an article entitled "Soviet Trade Piracy in the United States," written by J. Anthony Marcus, and published in Plain Talk, which appears in the Appendix.]

THE ROLE OF THE FREE PRESS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial entitled "National Newspaper Week Is People's Freedom Week," published in the Janesville (Wis.) Daily Gazette of October 3, 1949, which appears in the Appendix.]

THE STORY OF STEEL—EDITORIAL FROM THE NEW YORK POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "The Story of Steel," from the New York Post Home News of October 5, 1949, which appears in the Appendix.]

CORRECTION OF THE RECORD

Mr. WILLIAMS. Mr. President, I should like to have the RECORD of October 4, 1949, corrected on page 14087. There is no break or indication of where the speech of the Senator from Florida [Mr. HOLLAND] ends, and my speech be-

gins. This should be shown on page 14087 beginning with the last paragraph of the left column where I began as follows:

Mr. President, earlier in the afternoon I discussed with the Senator from New Mexico—

And so forth.

I ask that this correction be made in the permanent RECORD.

The VICE PRESIDENT. The correction will be made.

LEAVE OF ABSENCE

Mr. FLANDERS asked and obtained consent to be absent on official business for the remainder of the month.

TRANSFER OF VILLAGE CARRIERS IN SECOND-CLASS POST OFFICES TO CITY DELIVERY SERVICE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1479) to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes, which was, on page 2, to strike out lines 6 to 16, inclusive, and insert:

SEC. 3 (a) In assigning carriers in the village delivery service to salary grades in the city delivery service, each village carrier shall be assigned to the lowest grade provided for regular positions in the city delivery service. Each such carrier shall retain credit in his position in the city delivery service for all annual and sick leave which he has accrued and for compensatory time off due for service performed.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. HUMPHREY, and Mr. ECTON conferees on the part of the Senate.

ERNEST J. JENKINS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 377) for the relief of Ernest J. Jenkins, which was, on page 1, line 6, to strike out "\$21,600" and insert "\$10,000."

Mr. RUSSELL. I move that the Senate agree to the amendment of the House. The motion was agreed to.

CARE AND TREATMENT OF THE MENTALLY SICK IN STATE INSTITUTIONS

Mr. MORSE. Mr. President, I ask unanimous consent, out of order, to introduce a bill to provide some Federal assistance to the States in regard to the building and operation of State hospitals. I wish to say a word or two about the bill.

I am introducing the bill as a courtesy to Samuel and Helene Friedman, of Oregon, who are officials of the American Equity Association, an association interested in improvement of the care of the mentally ill. I am introducing it be-

cause I think the bill is sufficiently meritorious to entitle it to committee consideration. But I wish to make very clear as I introduce the bill that some of its provisions may be too broad. I am open-minded as to its provisions. I reserve the right to offer amendments to the bill, based upon the facts and evidence brought out in the hearings, and also reserve the right to vote against the bill if the hearings convince me that the bill is not deserving of passage. But I think both the objective of the American Equity Association and their bill are sufficiently meritorious so that the Senate should give the bill early hearings.

There being no objection, the bill (S. 2642) to assist the several States in making more adequate provision for the care and treatment of the mentally sick in State institutions, introduced by Mr. Morse (by request), was read twice by its title, and referred to the Committee on Labor and Public Welfare.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

Mr. YOUNG. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be given two additional days to consider the long-range price-support legislation. I should like to state a few of the reasons for my request.

It is inconceivable to me that the Committee on Agriculture and Forestry could properly consider the amendments proposed and all the implications and charges made on the floor yesterday in the very short time which has been allotted. For example, I read in the Record that the Senator from Vermont [Mr. AIKEN] believes that if the bill should pass in the form in which it was recommitted to the Committee on Agriculture and Forestry we would have to make available \$5,000,000,000 more to the Commodity Credit Corporation to carry out the program. I believe that statement is erroneous, and is not based upon facts. I believe that the committee should hold hearings to determine how accurate that statement is.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. WHERRY. To what page of the Record is the Senator referring?

Mr. YOUNG. Page 14082.

Most of the opposition to the Russell-Young amendment was with regard to wheat. I should like to point out that in the spring-wheat area at present, and for most of the fall, wheat has been selling above support levels. While I was at home only a month ago one of my sons sold wheat for \$2.04 a bushel. The support level was \$1.97 a bushel. Since then the price of wheat has increased 4 or 5 cents a bushel. I do not believe that the Commodity Credit Corporation should encounter any loss whatever in the price-support program for wheat.

The charge was made that it would cost the consumers a great deal more for their food requirements. I should like to point out that in this bill there are mandatory supports of 75 to 90 percent

for butterfat and milk, under a parity formula which raises the support level.

In the case of the basic commodities, the bill reduces the support levels. For perishable commodities it raises support. For example, under the present support program parity for butter is 57.8 cents a pound. Under the new formula it would be 65.7 cents a pound. Ninety percent under the old program, which is mandatory, would be 50 cents, and 90 percent under the new program would be 59 cents, or an increase of 9 cents a pound for butterfat to the consumers under the Anderson bill, as against present support levels.

In the case of whole milk, milk under the support program now in operation, 100 percent of parity is \$3.51 per hundredweight. One hundred percent of parity under the new formula is \$4.09 per hundredweight. Ninety percent of parity, or support price, under the new formula is \$3.15 per hundredweight. Under the new bill, which is supposed to save money, 90 percent of parity is \$3.68.

Another statement which my friend and colleague the distinguished senior Senator from Vermont [Mr. AIKEN] made is that the bill with the 90-percent mandatory support amendment would cost more to operate than the Brannan plan would. I think that statement is completely in error, for the Brannan plan seeks not only to support at rigid levels, at 100 percent of parity, the basic commodities, but it would add others. I should like to read the list of products which would be included: Corn, cotton, wheat, tobacco, whole milk, eggs, chickens, hogs, cattle, and lamb.

If the statement made by the distinguished senior Senator from Vermont is correct, namely, that the Brannan plan would be cheaper than the Anderson bill with the Young-Russell amendment, in short, that we could support prices at 100 percent of parity cheaper than we could support them at 90 percent of parity and add other commodities, then I believe the committee should consider the Brannan plan and should report it favorably, if that statement is true.

I noticed that many of my Republican colleagues voted against 90-percent supports. I believe they should take time to read the hearings at the recent Republican farm conference at Sioux City. I believe I was the only one who was there all the time. Of the more than 100 witnesses who testified, there were only about 5 who opposed price supports of any kind. I should like to have anyone point out a single farmer who testified at those hearings and who wanted support of any kind asked for lower support levels. I think my Republican colleagues, if they want farm votes next year, should read that record.

I note, too, that the Anderson bill does an excellent job for the dairy farmers, and I am entirely in favor of that; but many of the Senators from the dairy States voted to recommit the bill. I think they should have an opportunity to appear before the committee and say whether they are in favor of the supports or are opposed to them, and to state why they voted to recommit the

bill. I think we should know something about the sentiment of these dairy-State Senators who voted to recommit.

The VICE PRESIDENT. The Senator from North Dakota has requested unanimous consent that the Committee on Agriculture be given 2 days, or 48 hours additional, before reporting the farm bill, in addition to the time provided by the motion to recommit the bill, which was adopted by the Senate last night.

Is there objection to the request?

Mr. AIKEN. Yes. Is it debatable?

The VICE PRESIDENT. It is not debatable.

Mr. AIKEN. Then I object.

The VICE PRESIDENT. The Chair might state that, by custom, under the reservation of the right to object following such unanimous-consent requests, discussion often is engaged in. But it is not in order; and any Senator may call for the regular order at any time, and then the Chair must put the question as to whether there is objection.

Mr. WHERRY. So, Mr. President, as I understand the application of the rule, as now expounded by the President of the Senate, it is that if a unanimous-consent request is made and if some Senator reserves the right to object, he can then discuss the request as long as no other Senator asks for the regular order.

The VICE PRESIDENT. The Chair did not quite state that.

Mr. WHERRY. How would it work out?

The VICE PRESIDENT. By custom, that practice has been indulged in; but, as a matter of fact, a unanimous-consent request is not debatable, under the rule.

Mr. WHERRY. I agree with the distinguished President of the Senate as to that. Yet for 7 years it has been customary in the Senate, in case a Senator has wished to have a further explanation made of such a request, so that he could understand it, for the Senator seeking such information to rise and state, "Reserving the right to object, may I ask the distinguished Senator to give an explanation," or a definite question would be asked the Senator proposing the request.

The VICE PRESIDENT. The Senator is correct. It has been a custom which has been indulged in.

Mr. WHERRY. Yes. I think it is a very workable one. I am not taking sides about what was done yesterday; I was not here to participate in that proceeding. But I think the custom is a good one, because very often, following a unanimous-consent request, if opportunity to understand the request is afforded, the request is agreed to. If there is a misunderstanding or lack of understanding, the only other course is for objection to be made. That is according to the rule, and I agree with the Chair's announcement of the rule.

It seems to me it is not only a courtesy to permit an explanation to be requested and made, but I think it is a good custom to permit a Senator to reserve the right to object, following the propounding of a unanimous-consent request; and then, if unnecessary debate transpires, all that

any Senator need to do is request the regular order.

However, it seems to me that the point to be borne in mind is that following the propounding of a unanimous-consent request, if opportunity for an explanation is afforded, under the custom in connection with the statement "Reserving the right to object," such a procedure makes it possible for Senators to understand the request; and in many cases, once the request is understood, there is no objection. However, if under such circumstances long debate ensues, any Senator can demand the regular order so I think the procedure is a very good one.

Mr. HOLLAND. Mr. President, reserving the right to object, let me say I have no objection at all to having the Senate grant the courtesy requested; but I should like to be allowed the privilege by the Senate, unless objection is made, to make a brief observation, first, with respect to the statement made by my very good friend the Senator from North Dakota [Mr. YOUNG], who certainly has worked earnestly and zealously in trying to report from the committee and bring to the floor an adequate farm program, for which I commend him. However, I believe a statement should be made for the RECORD at this time—and I hope the Senator from North Dakota will follow me—regarding the statement he made to the effect that the action taken last night in adopting the amendment offered by the Senator from North Dakota, for himself and the distinguished junior Senator from Georgia [Mr. RUSSELL], did not raise the support price. I ask the Senator to reexamine the situation and see if it is not true—for I am certain it is true—that in the case of rice and flue-cured tobacco and burley tobacco, the action taken by the Senate in adopting the Young-Russell amendment would substantially increase the support price above the present wartime program price and above the 90 percent program price involved in the Gore bill, the figures being, in the case of rice, an increase from \$1.78 a bushel, under the 90-percent parity, as it would be continued under the Gore bill for 1 year, to \$2.07 per bushel, or an increase of 29 cents a bushel, which I think the Senator will agree is a substantial increase.

In the case of flue-cured tobacco, the increase would be from 42.2 cents a pound to 45.3 cents a pound, or an increase of 3.1 cents a pound, which I believe the Senator will agree is a substantial increase.

In the case of burley tobacco, the price would rise from 41 cents a pound to 46 cents a pound, or an increase of 5 cents a pound, which I believe the Senator likewise will agree is a substantial increase.

I would not want the statement made by the distinguished Senator from North Dakota to be misunderstood by anyone as having ignored the facts, which I believe to be facts, as I have just stated them for the RECORD.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG. I believe the Senator knows that my amendment did not cover tobacco. It is a very favored farm prod-

uct. It gets 90 percent of parity, regardless of my amendment.

There the Anderson formula will result in an increase for rice, as the Senator has indicated; but rice is a small crop.

But the whole hue and cry about the big additional cost in supporting basic commodities—cotton, wheat, and corn—under the Young-Russell amendment is completely wrong.

I wish to point out that under this support program, the support level is actually being lowered as a result of the new parity formula. Wheat under this parity formula is being reduced from \$2.15 to \$1.90 a bushel; and if we take 90 percent of that, which is the support price, you certainly do not have an unreasonably high support.

Mr. HOLLAND. I call attention to the fact that although the Senator may not have intended to bring about an increase in the case of the three items I have mentioned, nevertheless the action which was taken in adopting the Young-Russell amendment would have that result.

His amendment is applied to the Anderson bill, which fixes a different standard upon which the parity figures are based, including the price of hired labor, which the Senator so strongly advocated in committee.

Mr. President, still reserving the right to object, I should like further to call the Senator's attention to the fact that the principal reason for hired labor being placed in the formula was because of the insistence of the Senator from North Dakota, in which I think he was sound, that the wheat growers would be more adversely affected by the changed support program than any other group, as compared with present operations. It so happens that they are more fully protected, they are getting more generous treatment under the present plan than any other group. The committee, in an effort to ease the reduction for wheat growers—and largely on that account, I think the Senator will agree—finally agreed to the inclusion of hired labor as one of the new elements to be used under the Anderson program in an effort to ease off the reduction, to be visited upon the wheat growers in the event the Anderson plan was adopted.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield further.

Mr. YOUNG. I appreciate the statement of the able Senator from Florida that I was instrumental in having it included, because it tended to increase the parity program by 6 or 7 percent over the Aiken formula. But it is still 25 cents below the present parity program, but 10 cents a bushel over the Aiken program. What I am trying to point out is that 90 percent under this new formula does not increase the support level. All it does is eliminate a drastic feature. It does not affect the Anderson bill one iota, so far as next year is concerned. The Anderson bill provides 90 percent for the next year.

Mr. HOLLAND. I appreciate the remarks of the distinguished Senator. I am perfectly willing to allow the additional 2 days, except I call his attention

and the Senate's attention to the fact that we are working toward a speedy adjournment, and I think by all means the Senate should have the bill back in time to pass it and then go through conference with the House. I have no objection to the request.

The VICE PRESIDENT. Is there objection?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to ask the Senator from North Dakota just what date it would require? That is, what is the last date the bill would be required to be returned to the Senate, under his request? I have made some long-range plans for the early part of next week, which I should like to fulfill if at all possible. I shall have to change them, now, in view of the existing situation.

Mr. YOUNG. I should be willing to withdraw the request, if the various Senators do not care to appear, or if my friend, the Senator from Vermont [Mr. AIKEN], will change his statement at the the Anderson bill, as amended, would cost more than the Brannan plan. I think it is very significant and very important. If we can support farm products as 100-percent parity, we should take that program.

Mr. HICKENLOOPER. I am not asking the Senator to withdraw the request. I am merely asking about the program, so I can make my own plans.

Mr. YOUNG. I would also withdraw my objection, if my Republican colleague would take a little time this afternoon and tonight to read the farm conference hearings.

Mr. HICKENLOOPER. Still reserving the right to object, my question was, when is the latest date that the bill would again be reported to the Senate, under the request of the Senator from North Dakota?

The VICE PRESIDENT. The Chair might suggest it would be 9:15 Saturday night. The 48 hours ran from 9:15 last night, and a 2 days extension would run it to 9:15 Saturday night.

Mr. HICKENLOOPER. It would be reported, whether or not the Senate was in session, would it?

The VICE PRESIDENT. It would be possible to get consent to do so, if the Senate were not in session. The consent granted does not include that.

Mr. AIKEN. Mr. President, reserving the right to object, I may say I can well understand the desire of the Senator from North Dakota for more time in which to work on the bill which was re-committed last night, but if we are going into hearings on the situation we should not limit the time to 2 days. That would afford only sufficient time for the Secretary of Agriculture and the Commodity Credit Corporation to come before the committee to present one side of the picture. To that I very strenuously object. If the Senator desires to remove the time limit, or if he desires to extend the time so that an adequate hearing can be held, I shall then have no objection to it. But I think we would require at least 4 days, and should not allow time merely for the Secretary and the Commodity

Credit Corporation to present their side of the picture.

As for withdrawing the statement that a rigid 90-percent support will cost more than the Brannan plan, I certainly cannot withdraw a statement of fact. The difference between the 90-percent support advocated by the Senator from North Dakota and the Senator from Georgia [Mr. RUSSELL], and the Brannan plan, is this: The Brannan plan indeed advocates high supports. But supports are only one part of the Brannan plan. The Secretary of Agriculture presented a completely rounded program, involving complete controls over farm production and land use practices. The cost of the Brannan program could be controlled. It could be one billion a year or five billion a year, depending on the manner in which the Secretary would apply it. The proposition of the Senator from North Dakota and of the Senator from Georgia for rigid 90-percent supports presents a matter of simply getting price, without program, and it certainly would in the long run, in my opinion, cost as much or more than the Brannan plan.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. The Senator says there would be a 90-percent support, without control. It only applies when there is acreage control or when there are quotas. The Secretary can require 50-percent reduction in acreage if he wants to.

Mr. AIKEN. The Senator is entirely mistaken. The amendment which he offered yesterday provides for 90 percent at all times because it provides mandatory supports when there are acreage allotments or quotas in effect. The Secretary is required to proclaim the allotments on five of the basic commodities every year.

Mr. YOUNG. Our only intent was to get the 90-percent support when there is a proclamation of acreage allotments or quotas. There should be no question about the matter.

Mr. AIKEN. Certain provisions of the 1938 law, which have never been repealed, require the Secretary to proclaim acreage allotments every year. That means we would have mandatory 90-percent supports every year. The Senator from North Dakota could overcome that by withdrawing the provision relating to acreage allotments and have a 90-percent support.

Mr. YOUNG. Mr. President, will the Senator yield again?

Mr. AIKEN. I yield.

Mr. YOUNG. I do not at all follow the Senator. We have been under a support program for years. This is the first time we have had acreage control for a long while.

Mr. AIKEN. Because the acreage allotments were suspended during the war, as they could be under the law. The law says the Secretary shall proclaim acreage allotments before a certain time each year. But that provision can be suspended in the event of a national emergency. It was suspended during the war. But now that the war is over,

now that 2 years have elapsed since the war was over, the Secretary is again complying with the law. That is his reason for proclaiming acreage allotments for wheat this year. It would make the situation better, of course, if the Senator from North Dakota would have the amendment read 90-percent support should be in effect only when quotas are in effect, or should be mandatory only when quotas are in effect.

Mr. YOUNG. As one of the sponsors, I should be perfectly willing to have the amendment apply only when a reduction of acreage is required, and certainly the Secretary would not require a reduction of acreage unless he thought there was a surplus, and he could control that as he desired.

Mr. AIKEN. The 90 percent would undoubtedly be in effect anyway when an increase of acreage was required, but it would be much better if the Senator would have his amendment read that 90 percent support should be mandatory when quotas were in effect, and drop out the acreage allotment.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota?

Mr. LUCAS. Mr. President, reserving the right to object, I want to make one statement. The distinguished Senator from Oklahoma appointed a subcommittee with the Senator from New Mexico [Mr. ANDERSON] as chairman. The subcommittee held hearings for days and weeks upon this very question.

As I recall, thousands of pages of testimony were taken. In addition to that, in order to satisfy everyone, the distinguished chairman of the committee called further hearings when the subcommittee reported back to the full committee, and hearings were held on August 22, 23, 24, and 25 of this year. I hold in my hand a copy of those hearings containing 152 pages of testimony.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I shall yield in a moment. It seems to me, in view of all the testimony which has been taken, it would be fruitless to start hearings again on a 2-day basis. We could not do that.

I now yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, the Senator is so convincing that I withdraw my request.

Mr. LUCAS. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. At or about what hour is the Committee on Agriculture and Forestry expected to report back to the Senate?

The VICE PRESIDENT. At 9:15 p. m. on Thursday next. The bill was recommitted last night at 9:15 p. m. with instructions to report back to the Senate within 48 hours.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that, as chairman of the committee, I may have until 9:15 tomorrow night to make the report.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. That is on condition that the Senate is not in session.

RURAL TELEPHONES

The Senate resumed the consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate is the so-called rural telephone bill. The committee report on this bill is somewhat brief, and in order that the report may be made more public than it is in its present form, I ask permission to have a copy of the report printed at this point in the Record in connection with my remarks.

There being no objection, the report (No. 1071) was ordered to be printed in the Record, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, having considered same, report thereon with a recommendation that it do pass with amendments.

STATEMENT

Since the passage of the Rural Electrification Act in 1936, this country has witnessed the introduction and operation of a program which has brought untold benefits to farmers. The rural electrification program has been successful from many standpoints as well as that of the extension of electricity to many areas which did not have such service. Today the increased use of electricity on farms is an important element in improving the standard of living of both our farm and nonfarm population.

Telephone service has not kept pace with the extension of electrical service in our rural areas. While there are conflicting estimates as to what percentage of our farmers have adequate telephone service, the record is clear that too many of them are handicapped because they do not have any service at all or the service is not efficient and reliable. In fact the lack of good rural telephone systems is even working hardships on the extension of electrical service to rural areas because the farmer is unable to notify the local company or cooperative that the electrical service has broken down. The question is not whether more or less than 50 percent—or any similar percentage—of our farmers have telephone service, the problem is how to extend such service to the many who do not have it as fast and as efficiently as possible. Your committee believes the bill, H. R. 2960, embodies a program which will help solve this problem and will enable the Government to carry out its proper role in the needed extension of more telephone service to our rural people.

The purpose of this legislation is twofold: first, it provides loans for the expansion of telephone service in rural areas which include cities and villages of 1,500 population or less, and second, it provides loans for the expansion of telephone service in the areas surrounding towns and cities of more than 1,500 population and their suburban residential areas.

GENERAL PROVISIONS

The bill authorizes the Administrator of the Rural Electrification Administration to make loans for the purpose of financing the improvement, expansion, construction, acquisition, and operation of facilities to render telephone service in rural areas. The loans will bear interest at 2 percent and are subject to the same terms and conditions as

FARM PRICE SUPPORT PROGRAM

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949.—Ordered to be printed

Mr. ANDERSON, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany H. R. 5345]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having considered same, report thereon with a recommendation that it do pass with an amendment.

STATEMENT

The committee amendment is the language of S. 2522, as amended, which your committee is reporting favorably to the Senate this date. S. 2522 was first reported without amendment on September 20, 1949 (S. Rept. No. 1091), and following recommitment of the bill to the committee by the Senate on October 4, your committee again considered this legislation. The committee believes adoption of the farm price support program embodied in S. 2522 and the committee amendment to H. R. 5345 is necessary to the national welfare and therefore urges the enactment of H. R. 5345, as amended.

Senate Report No. 1091 and a copy of the statement contained in the second report on S. 2522 are attached hereto and made a part of this report.

[S. Rept. No. 1091, 81st Cong., 1st sess.]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2522) to stabilize prices of agricultural commodities, having considered same, report thereon with a recommendation that it do pass without amendment.

STATEMENT

During the past decade, price supports for agricultural commodities have played important and varying roles in the economy of the country. Prior to World War II the major purpose of the program was to support and maintain

the purchasing power of the farmer at a level which would allow agriculture to play its proper part in a stable economy. During the war the price-support program was used successfully as a national defense measure by encouraging increased production of food and fiber vitally needed by ourselves and our allies. Price supports which were incentives for production became an established principle in our wartime program.

The program developed during the last war was originally planned to terminate 2 years after the official end of hostilities as declared by either the President or the Congress. Accordingly, the year 1948 became the last year in which such supports were to be maintained at such levels but action of the Eightieth Congress extended the program with slight modifications through 1949. Your committee believes it is imperative that the program be placed on a permanent, peacetime basis beginning in 1950 principally because the extraordinary demands for American agricultural production during the war period have largely ceased to exist.

The operation of the price-support program developed by the Agricultural Adjustment Act of 1938 is a sound basis upon which to build our future program. While the range of support levels from 52 to 75 percent of parity for the basic commodities contained in that act is much too low for effective use now, the flexibility of support levels and the coordination of price supports with production controls remain essential in the view of your committee.

The bill (S. 2522) amends and supplements the Agricultural Adjustment Act of 1938 as amended by the Agricultural Act of 1948. The committee believes the changes provided in this legislation will improve existing law both through clarification and through increased support of our agricultural economy.

ANALYSIS OF BILL

The bill classifies agricultural commodities into four main groups for purposes of price support; namely, the basic commodities, special commodities, storable nonbasic commodities, and other nonbasic commodities.

BASIC COMMODITIES

Mandatory price supports are provided to cooperators for the basic commodities corn, wheat, cotton, tobacco, rice, and peanuts at between 90 and 75 percent of modernized parity, including hired labor. The maximum level is 90 percent and the minimum level will be determined from a sliding scale on the basis of the applicable supply percentage. The minimum levels will vary from 90 to 75 percent of parity as the supply varies from less than 102 (108 in the case of cotton and peanuts) to more than 130 percent of normal.

Two exceptions to the above provisions are contained in the bill. Price support for tobacco is mandatory at 90 percent of parity whenever marketing quotas are in effect, and price support for any basic commodity is mandatory at 90 percent whenever marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect. While the provision for 90 percent of parity supports for tobacco whenever marketing quotas are in effect is the same as in existing law, the requirement that price supports for any basic commodity will be at 90 percent whenever production controls go into effect after the lapse of a year represents a change in the program to go into effect in 1950. Whenever acreage allotments or marketing quotas are put into effect, the farmer faces a loss in income through decreased production even though the price of the commodity is maintained at a reasonable level. To offset the possibility of drastic reductions in farmers' income, the committee recommends that the support price be mandatory at 90 percent for the first year of such acreage controls.

The system of flexible price supports varying from 90 to 75 percent of parity provided in the bill would change the provisions of the Agricultural Act of 1948 which otherwise would go into effect in 1950. The 1948 act would provide price supports for the basic commodities at from 90 to 60 percent of modernized parity (not including hired labor), the minimum varying within such limits as the supply varied from 70 to 130 percent of normal supply. However, under the terms of that act, the minimum support level would be increased by 20 percent whenever marketing quotas or acreage allotments were in effect.

S. 2522 provides, as does the 1948 act, that whenever marketing quotas are disapproved by producers for any crop, the price-support level for such crop will be 50 percent of parity. It changes present legislation, however, by providing that in the case of tobacco, no price support shall be given upon such disapproval of marketing quotas.

SPECIAL COMMODITIES

Beginning in 1950 present legislation provides permanent mandatory price supports between 60 and 90 percent of parity for shorn wool and Irish potatoes. Section 201 of the bill provides that the prices of mohair and tung nuts will also be supported at between 60 and 90 percent of parity and the prices of milk and butterfat between 75 and 90 percent. The prices of milk and butterfat are to be supported only through loans on, and purchases of their products.

STORABLE NONBASIC COMMODITIES

Section 302 provides that price support shall be made available for storable nonbasic agricultural commodities for which a marketing quota or marketing agreement or order program is in effect at between 75 and 90 percent of parity. A storable nonbasic commodity is defined as one which, in normal trade practices, is stored for substantial periods of time and can be stored under a price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program. While the Secretary of Agriculture is given the authority to support such commodities at levels lower than 75 percent of parity when production controls are in effect, it is the intent of the legislation that the 75 to 90 percent range be maintained. The provision does not, however, preclude storable nonbasics for which no control program is in effect from receiving price support.

OTHER NONBASIC COMMODITIES

All other nonbasic agricultural commodities may be supported at levels up to but not in excess of 90 percent of parity. This provision is also contained in the Agricultural Act of 1948 which extended the same discretionary price-support range to the storable nonbasics.

DETERMINATION OF SUPPORT LEVELS

Except under certain conditions noted above, the determination of the actual support level for both the basic and nonbasic commodities between the ranges provided is to be made by the Secretary of Agriculture. In the case of any commodity for which price support is discretionary, the determination as to whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the determination as to the level of support in excess of the minimum level prescribed for such commodity, are to be made after consideration of the following factors:

1. The supply of the commodity in relation to the demand therefor.
 2. The price levels at which other commodities are being supported, and in the case of feed grains, the feed values of such grains in relation to corn.
 3. The availability of funds.
 4. The perishability of the commodity.
 5. The importance of the commodity to agriculture and the national economy.
 6. The ability to dispose of stocks acquired through a price-support operation.
 7. The need for offsetting temporary losses of export markets.
 8. The ability and willingness of producers to keep supplies in line with demand.
- These factors are substantially the same as contained in the 1948 act, the main exception being the addition of the reference to feed values of feed grains in relation to corn.

Present legislation provides that in 1950 or thereafter, price support for any commodity may be in excess of 90 percent of parity whenever it is determined after a public hearing that such support is necessary in the interest of national security. Section 402 provides in addition that support may exceed 90 percent in order to prevent or alleviate a shortage in the supply of any commodity essential to the national welfare.

CHANGES IN THE PARITY FORMULA

S. 2522 continues the provision of the Agricultural Act of 1948 for a modernized parity formula to become effective in 1950. However, section 409 (b) provides for the inclusion of wages paid hired farm labor in the parity index used in determining parity prices. At present, the parity index measures the increase or decrease of prices paid by farmers, interest, and taxes. Wages paid for labor is a necessary and often extensive item of expenditure on the part of farmers and,

accordingly, your committee believes it should be added to the other items taken into consideration in the parity index in order to reflect the proper increase or decrease in the cost of materials and services which farmers buy.

Section 409 (a) also amends the parity formula by providing that wartime subsidy payments made to producers under the Emergency Price Control Act of 1942 shall be taken into consideration in determining parity prices. This specific provision does not preclude the Department of Agriculture, in determining parity prices, from including the conditional payments made to producers under the sugar acts, which represent returns to producers in the moving 10-year base period comparable in price effect to the payments specifically referred to in section 409 (a).

METHODS AND PREREQUISITES OF PRICE SUPPORT

S. 2522 provides that all price support shall be made available to cooperators through the present system of loans, purchases, and other operations. The provision of the Agricultural Act of 1948 for the limited use of production payments is repealed. Compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when authorized by law) may be required as a condition of eligibility for price support, as was provided in the 1948 act.

MISCELLANEOUS PROVISIONS

Section 407 provides that the Commodity Credit Corporation may not sell any agricultural commodity acquired by it through a price-support program at less than the current support price for such commodity. The Agricultural Act of 1948 provided that such commodities could not be sold at less than the lowest of (1) the amount invested in the commodity, (2) a price halfway between the support price, if any, and the parity price, or (3) 90 percent of parity. The bill lists in section 407 eight exceptions to the restriction on sales, which are similar to those contained in the 1948 act.

Successful farming requires long-range planning and in order to synchronize the price-support program with that practice, section 406 provides that the level of price support may be announced in advance of the marketing year for any commodity. The announced level cannot be reduced if it is later determined that such level is above the maximum level otherwise permitted. The committee believes this procedure will enable farmers to plan their production on a sounder basis than otherwise would be possible.

Section 32 funds, which represent 30 percent of the gross receipts from duties collected under the customs laws, have heretofore been used for the encouragement of exportation and new uses of all farm products. The use of these funds with respect to perishable agricultural commodities is particularly helpful in view of the limitations necessarily imposed on a price-support program for such commodities. Therefore, section 411 provides that section 32 funds shall be devoted principally to perishable commodities, other than those for which mandatory price supports are provided.

At present the Commodity Credit Corporation cannot issue obligations in excess of its assets. Due to the tremendous increase in the scope of the price-support program, there is every possibility that immediate losses will deplete the capital stock and available funds to the point where the Corporation will be unable to carry out programs directed by law because of this restriction. Section 410 would permit the Corporation to borrow in excess of its assets but this provision does not allow the Corporation to issue obligations in excess of \$4,750,000,000. Proper budgetary control by the Congress would be continued under the provisions of the Government Corporation Control Act.

ASSISTANT SECRETARY OF AGRICULTURE

The volume and complexity of operation of the price-support program have increased greatly in the last few years. As a result, the Government often finds itself the owner of considerable stocks of agricultural commodities. It is imperative that these stocks be handled efficiently, especially in their disposition. In order to meet this requirement, section 412 provides for the appointment of an additional Assistant Secretary of Agriculture in Charge of Sales Operations. His prescribed duties shall be the planning and carrying out of programs for marketing and otherwise disposing of agricultural commodities and products acquired through price-support operations.

STATEMENT OF THE SECRETARY

Prior to the introduction of S. 2522 and its final consideration by the committee, the recommendations and comments of Secretary of Agriculture Charles F. Brannan were requested on this legislation. A copy of his letter, dated August 12, 1949, is attached hereto and made a part of this report.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 12, 1949.

HON. CLINTON P. ANDERSON,
*Chairman, Subcommittee of the Senate,
Committee on Agriculture and Forestry.*

DEAR SENATOR ANDERSON: When I appeared before your subcommittee of the Senate Committee on Agriculture and Forestry last Saturday, August 6, it was agreed that I should submit, in writing, my views with respect to the subcommittee's recommended price-support bill. Since that time there have been several revised prints of these recommendations, and I now have before me a committee print, dated August 12, which I am advised constitutes the proposal of the subcommittee to the whole committee. My comments, therefore, are directed to the print of August 12.

I am gratified to note that you have incorporated many of the suggestions made during our discussions with the subcommittee last Saturday, but I find it necessary to advise you that I believe the measure still fails to provide adequate and comprehensive price-support authorities which would equip the Department of Agriculture to deal with the production and distribution problems with which this Nation is being confronted with ever-increasing intensity.

The general level of support in the proposed bill has been increased over that provided in the Agricultural Act of 1948 by the addition of the item of hired labor into the parity formula. During times of high farm wages this will have a tendency to raise the support level by about 6 percent. However, it must be remembered that if this item had been included in the formula during periods of comparatively low-wage rates, the effect would have been to reduce the support level.

The proposed bill, in addition, raised the mandatory support level for basic commodities by 15 percentage points over those levels provided in the Agricultural Act of 1948 when acreage allotments or marketing quotas are not in effect. The main effect of the changes in the schedules between the proposed bill and the Agricultural Act of 1938 is to raise the minimum support level by three percentage points when acreage allotments or marketing quotas are in effect.

Assuming that acreage allotments or marketing quotas will be in effect during 1950, subparagraph (d) of section 101 in effect requires support of the 1950 crops of corn, cotton, wheat, and rice at 90 percent of parity. The 1950 crops of tobacco and peanuts will also be at 90 percent of parity by reason of other provisions.

A dollar-and-cents comparison between the support levels thus provided for these commodities under titles I and II of the Agricultural Act of 1948, the Gore bill, the proposed bill and the income support standard recommended by the Department has been supplied you.

The proposed bill also, and in my opinion properly so, very materially contracts the area of so-called flexibility and rejects for 1950 the philosophy that price reductions are an effective means of reducing agricultural production. For years after 1950 the philosophy has been substantially curbed. The principle is not, of course, in effect for tobacco, which is given support at 90 percent of parity when quotas are in effect.

However, the proposed bill provides no mandatory minimal level of support for important livestock and poultry products. I have recommended that the Congress establish by law a mandatory minimum level of support for these commodities, among the others, which contribute importantly to farmers' income and play a large part in consumer expenditures. They should be included with milk and butterfat in the list of commodities to receive first call on available funds.

Moreover, the permissive maximum support for all the more important commodities and the mandatory minimum support levels for the basic commodities and for dairy products are, in my opinion, still too low. They would allow farmers' income to fall further than the best interests of farmers and the general public can afford.

While I feel that it would be preferable to work toward an income objective more directly by including farmers' purchasing power in an income support standard or parity price formula, I do feel that it is better partially to attain the objective than not to make any progress toward it at all.

I am also gratified to note that section 402 of your proposed bill indicates that your subcommittee has accepted the principle of increasing price supports above 90 percent as incentives for increased production to prevent or alleviate a shortage in supply of a commodity essential to public welfare.

While I had not recommended them for preferential treatment, I see no objection to your including peanuts, rice, and wool in a category to receive mandatory price support. Irish potatoes should receive mandatory price support only in the event that additional legislation is enacted affording producers the mechanism of acreage allotments and marketing quotas in order to keep supplies in line with demand as well as to limit the Government's expenditures to reasonable levels. Tung nuts do not qualify on any sound basis for mandatory price support.

The authority provided to the Secretary to vary the price-support levels for nondesignated nonbasic commodities is a desirable feature of the proposed bill. If the bill had placed the important poultry and livestock products in the category of either basic or designated nonbasic commodities to be provided mandatory minimum supports at adequate levels, I would then have been in full accord with the support level provisions of section 301 of title III and section 401 of title IV.

It is to be hoped that sufficient funds would at all times be available, after providing for the mandatory supports on your list of basic and designated nonbasic commodities, to provide an adequate level of support for the important livestock and poultry products.

The sliding scale of minimum supports set forth in section 302 of title III performs no necessary function, since the factors listed in section 401 (b) would govern in determining whether the level of price support would be fixed above or below the minimum levels prescribed in the schedule in section 302. This schedule does little more than unduly complicate the bill without making any specific contribution. We recommend its deletion.

A particularly undesirable feature of the bill is its failure to provide any effective and efficient method of support for perishable commodities. A corollary weakness is that provision is not made to allow the benefits of our abundant production of the important protective foods, which are perishable, to reach our consumers through the normal channels of trade. I refer, of course, to the complete lack of authority in the bill for the use of production payments or the provision of any substitute device to accomplish this very desirable end.

Purchase programs force the Government to become a large factor in the market, both in the buying and selling of commodities, yet many sales cannot be made back into the trade without breaking the market. One alternative has been to dispose of the supply in foreign outlets, but with postwar restoration of foreign agricultural production and the dollar tightening situation, this means taking more severe losses. For other commodities, such as potatoes, this outlet is not even available and they must be used for livestock feed, left to rot, or otherwise wasted. In perishable commodities, the costs of refrigeration, storage, transporting and handling is a heavy burden on the Treasury.

Moreover, the use of production payments for this purpose would allow the full production of these commodities to flow through regular channels of trade to our consumers who want and need the greater abundance of these foods for improved diets. A support program restricted to Government purchases of these important foods simply does not give our taxpayers their money's worth. If Government purchases are used, the consumer must also pay the cost of the programs for a second time in higher prices at the grocery store.

I am pleased to note that your subcommittee accepts in subsection 401 (c) the principle that producers have the responsibility to bring supplies in line with demand as a requirement for eligibility for price support. However, your bill does not make marketing quotas available to producers for storable nonbasic commodities. It will be impossible to operate a sound price-support program on many commodities without marketing quotas or an equivalent method of bringing supplies in line with demand, as well as preventing noncooperating farmers from taking advantage of adjustments made by cooperating farmers.

Consistent with this principle is another that no price support at all should be made available in those cases where producers, by disapproving marketing quotas, are unwilling to keep supplies in balance with genuine demand. The proposed bill contains the latter principle with respect to tobacco; I recommend that the principle be extended to all other commodities for which marketing quotas are authorized by law.

I have no objection to the language of sections 403, 404, and 405 of title IV and note with favor that your subcommittee has approved, in the language of section 406, the Department's recommendation for authority to make firm

announcements of future price-support levels in advance of planting and breeding periods. This is an important principle and I heartily favor its inclusion in our price-support legislation.

I am in general accord with the provisions of section 407 governing the prices at which the Commodity Credit Corporation may sell farm commodities. I am particularly glad that the restrictive provisions in earlier prints have been eliminated.

I also favor the provision for an additional Assistant Secretary of Agriculture. As you know, this is in accord with previous recommendations of the Department. This recommendation was also made by the Committee on Reorganization of the Executive Branch. However, I do not believe that the creation of any new office or staff within the Department of Agriculture or elsewhere is the solution to the production and distribution problems with which the Department is confronted. In my opinion, the most effective program that can be devised will be one which will require the Government to take possession of minimum amounts of agricultural commodities beyond the quantities necessary to stabilize supply against the national emergency and unfavorable weather conditions. A program which places upon the Federal Government the obligation to take large quantities of agricultural supplies and merchandise them in the domestic and world market is fraught with much danger and difficulty and can only lead to undesirable interference with the normal business pattern. Furthermore, based upon the experience of the Department in handling the commodities which have come into its possession in the past, we are firmly of the opinion that these persons charged with the programs through and by means of which certain commodities come into the possession and control of the Government should also be responsible for the disposal of those commodities.

The provisions of section 413 are necessary to assure that the Commodity Credit Corporation's borrowing authority will be fully available to carry out price-support programs.

I have indicated in the foregoing a belief in the inadequacy of the proposed bill to meet the highly complex and difficult problems with which the Department will be faced in the coming years. Nevertheless, I wish to assure the Congress that once this or any modification or variation of this bill becomes law, every possible effort of the Department will be exerted, without reservation, to make it work as successfully and effectively as possible.

Sincerely,

CHARLES F. BRANNAN, *Secretary*.

STATEMENT

Under direction by the Senate, your committee is reporting on S. 2522 which embodies a permanent price-support program for agricultural commodities. Your committee fully realizes the importance of this program to the national welfare and believes the one proposed in this legislation will allow the Federal Government to carry out its proper role in the agricultural economy. The committee has added some additional amendments to the bill as originally reported by it and believes that they improve the former version.

The bill is recommended for enactment as introduced in the Senate with respect to price supports for the six basic commodities—corn, wheat, cotton, tobacco, rice, and peanuts—the bill providing for such price supports at between 90 and 75 percent of modernized parity including hired labor. Price support for tobacco is mandatory under the terms of the bill at 90 percent of parity whenever marketing quotas are in effect, and price support for any basic commodity is mandatory at 90 percent whenever marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect.

While price supports for basic commodities as provided in S. 2522, as introduced, remained unchanged, your committee does recommend amendment of the bill with respect to certain nonbasic commodities. The bill provided that the prices of shorn wool, Irish potatoes, mohair, and tung nuts be supported at between 60 and 90 percent of parity and the prices of milk and butterfat at between 75 and 90 percent of parity. The provision for the support of shorn wool excluded price support for pulled wool, which is of considerable importance to wool producers. Therefore, the bill is amended so that all wool, including pulled wool, shall be supported at between 60 and 90 percent of parity.

Two other amendments concerning support of certain nonbasic commodities are recommended. The bill is amended to include mandatory price support for

honey between 60 and 90 percent of parity and to eliminate the provisions for mandatory price support for mohair.

A new provision is also recommended with respect to price supports for broilers. The amendment would provide that whenever the price of any kind of poultry is supported the price of broilers will also be supported at comparable levels.

A new amendment is also recommended which would provide that, in determining the level of price support for any nonbasic commodity, particular consideration shall be given to levels at which the prices of competing farm commodities are being supported.

The bill provides that the Commodity Credit Corporation cannot dispose of any agriculture commodities acquired under the price-support program at less than the current support price for such commodity. This provision is amended to provide that in selling such commodity the costs and expenses incurred through handling charges, transportation, and similar charges will be included in the selling price.

The bill is amended to provide that in determining the normal supply of an agricultural commodity, any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture which result in losses shall be excluded from the amount determined as normal supply. This amendment will result in a more realistic computation of normal supplies of agriculture commodities.

Section 412 of the bill provides for the appointment of an Assistant Secretary of Agriculture in charge of sales operations. The duties of such Assistant Secretary will be to plan and carry out programs for marketing and disposition of agriculture commodities, principally acquired through the price support program, but subject to the supervision and direction of the Secretary. This section is amended by the insertion of new language which will guarantee that in carrying out such programs the new Assistant Secretary will not bypass cooperative organizations and private trade channels wherever it is possible to use them. Second, the new language would safeguard the normal exchange of farm commodities and prevent disruption of the private trade. The purpose of the amendment is the same as that of the original section 412, which is to encourage the development of new markets and means of disposition of surplus agriculture commodities as well as providing an effective system in handling commodities owned by the Federal Government.

In direct connection with the program of disposing of farm commodities acquired by the Federal Government through the price-support program, a new amendment is recommended which provides that the Secretary of Agriculture shall make available such commodities in imminent danger of spoilage to the Indian Bureau, public welfare agencies, and to the school lunch program, at no cost save handling and transportation costs.

The bill is amended to provide that provisions of the Agricultural Act of 1948 relating to the determination of acreage allotments and marketing quotas should be applicable in 1949 in order that the Secretary could carry out the 1950 program in an orderly manner. The bill is further amended to provide a change in the definition of normal and total supplies for corn and to allow the proclamation, if necessary, of marketing quotas for corn in 1950 to be made up until February 1, 1950. The deferment of such proclamation will be allowed for the 1950 crop only.

At present the Commodity Credit Corporation cannot issue obligations in excess of its assets. Section 410 would permit the Corporation to do so but this provision is not intended to allow the Corporation to issue obligations in excess of \$4,750,000,000. The section is amended to clarify your committee's intention that the Corporation shall continue to be subject to the limitation imposed by the Commodity Credit Corporation charter on the amount of total obligations.

Section 413 provides that determinations made by the Secretary under this bill shall be final and conclusive. Your committee believes that operations of the Commodity Credit Corporation in carrying out price-support programs should be subject to its Board of Directors. Therefore, section 413 is amended to provide that the Secretary shall not have power to override the action of the Board of Directors of the Commodity Credit Corporation in matters subject to the control of the Board.

CONCLUSION

Your committee believes that S. 2522, as amended, will provide a sound and effective farm price-support program which will enable agriculture to maintain its purchasing power and general equality with the other segments of our economy. Therefore, your committee recommends enactment of the bill, as amended, at the earliest possible time.

Calendar No. 1141

81ST CONGRESS
1ST SESSION

H. R. 5345

[Report No. 1130]

IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JUNE 2), 1949

Read twice and referred to the Committee on Agriculture and Forestry

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Reported by Mr. ANDERSON, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—1950 PRICE STABILIZATION**

4 **SECTION 1.** Notwithstanding any other provision of
5 law, the Secretary of Agriculture is authorized and directed
6 through any instrumentality or agency within or under the
7 direction of the Department of Agriculture, by loans, pur-
8 chases, or other operations—

9 (a) To support prices received by producers of cotton,
10 wheat, corn, tobacco, rice, and peanuts marketed before
11 June 30, 1951 (September 30, 1951, in the case of Mary-

1 land and the cigar-leaf types of tobacco); if producers have
 2 not disapproved marketing quotas for such commodity for
 3 the marketing year beginning in the calendar year in which
 4 the crop is harvested. The price support authorized by this
 5 subsection shall be made available as follows:

6 ~~(1)~~ To cooperators at the rate of 90 per centum
 7 of the parity price for the commodity as of the begin-
 8 ning of the marketing year;

9 ~~(2)~~ To noncooperators at the rate of 60 per centum
 10 of the rate specified in ~~(1)~~ above and only on so much
 11 of the commodity as would be subject to penalty if
 12 marketed.

13 All provisions of law applicable with respect to loans under
 14 the Agricultural Adjustment Act of 1938, as amended, shall,
 15 insofar as they are consistent with the provisions of this
 16 subsection, be applicable with respect to loans or other
 17 price-support operations authorized under this subsection,
 18 except that for the purpose of computing the parity price
 19 for Maryland tobacco the base period shall be the period
 20 August 1936 to July 1941 in lieu of the period August
 21 1919 to July 1929.

22 ~~(b)~~ To support until January 1, 1951, a price to
 23 producers of commodities with respect to which the Secre-
 24 tary of Agriculture by public announcement pursuant to

the provisions of the Act of July 1, 1941, as amended, requested an expansion of production of not less than 60 per centum of the parity or comparable price therefor nor more than the level at which such commodity was supported in 1948, except that milk and its products, hogs, chickens, and eggs shall be supported at 90 per centum of the parity or comparable price. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this subsection if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for the commodities referred to in (a) hereof. In carrying out the provisions of this subsection the Secretary of Agriculture shall have the authority to require compliance with production goals and marketing regulations as a condition to eligibility of producers for price support.

(e) Price supports shall be made available to the producers of cottonseed at levels not in excess of parity, taking into account the price levels at which other commodities are being supported.

(d) Sections 1 and 3 of the Act approved August 5, 1947 (Public Law 360, Eightieth Congress) are amended by striking out in each section the date "June 30, 1950"

1 wherever it appears and inserting in lieu thereof the date
2 "June 30, 1951" and by adding a new section reading
3 as follows:

4 "SEC. 4. Mohair shall be supported at not in excess of
5 90 per centum of the parity price, taking into account the
6 price level at which wool is being supported."

7 (e) It is hereby declared to be the policy of the Con-
8 gress that the lending and purchase operations of the Depart-
9 ment of Agriculture (other than those referred to in subsec-
10 tions (a), (b), and (c) hereof) shall be carried out until
11 January 1, 1951, so as to bring the price and income of the
12 producers of other agricultural commodities not covered by
13 subsections (a), (b), and (c) to a fair parity relationship
14 with the commodities included under subsections (a), (b),
15 and (c), to the extent that funds for such operations are
16 available after taking into account the operations with re-
17 spect to the commodities covered by subsections (a), (b),
18 and (c). In carrying out the provisions of this subsection
19 the Secretary of Agriculture shall have the authority to
20 require compliance with production goals and marketing
21 regulations as a condition to eligibility of producers for price
22 support.

23 SEC. 2. From any funds available to the Department
24 of Agriculture or any agency operating under its direction
25 for price-support operations or for the disposal of agricultural

1 commodities, the Secretary of Agriculture is authorized and
2 directed to use such sums as may be necessary to carry out
3 the provisions of section 1 of this Act.

4 SEC. 3. Section 22 of the Agricultural Adjustment Act,
5 as added by section 31 of the Act of August 24, 1935 (49
6 Stat. 773), reenacted by section 1 of the Agricultural Mar-
7 keting Agreement Act of 1937 (50 Stat. 246), as amended,
8 is hereby amended to read as follows:

9 "SEC. 22. (a) Whenever the President has reason to
10 believe that any article or articles are being or are practically
11 certain to be imported into the United States under such
12 conditions and in such quantities as to render or tend to
13 render ineffective, or materially interfere with, any program
14 or operation undertaken under this title or the Soil Con-
15 servation and Domestic Allotment Act, as amended, or
16 section 32, Public Law Numbered 320, Seventy-fourth Con-
17 gress, approved August 24, 1935, as amended, or any loan,
18 purchase, or other program or operation undertaken by the
19 Department of Agriculture, or any agency operating under its
20 direction, with respect to any agricultural commodity or prod-
21 uct thereof, or to reduce substantially the amount of any
22 product processed in the United States from any agricultural
23 commodity or product thereof with respect to which any such
24 program or operation is being undertaken, he shall cause an
25 immediate investigation to be made by the United States

1 Tariff Commission, which shall give precedence to investiga-
2 tions under this section to determine such facts. Such in-
3 vestigation shall be made after due notice and opportunity for
4 hearing to interested parties, and shall be conducted subject
5 to such regulations as the President shall specify.

6 “(b) If, on the basis of such investigation and report
7 to him of findings and recommendations made in connection
8 therewith, the President finds the existence of such facts,
9 he shall by proclamation impose such fees not in excess of
10 50 per centum ad valorem or such quantitative limitations on
11 any article or articles which may be entered, or withdrawn
12 from warehouse, for consumption as he finds and declares
13 shown by such investigation to be necessary in order that
14 the entry of such article or articles will not render or tend
15 to render ineffective, or materially interfere with, any pro-
16 gram or operation referred to in subsection (a), of this sec-
17 tion, or reduce substantially the amount of any product
18 processed in the United States from any such agricultural
19 commodity or product thereof with respect to which any
20 such program or operation is being undertaken: *Provided,*
21 That no proclamation under this section shall impose any
22 limitation on the total quantity of any article or articles which
23 may be entered, or withdrawn from warehouse, for consump-
24 tion which reduces such permissible total quantity to propor-
25 tionately less than 50 per centum of the total quantity of

1 such article or articles which was entered, or withdrawn
2 from warehouse, for consumption during a representative
3 period as determined by the President: *And provided further,*
4 That in designating any article or articles, the President may
5 describe them by physical qualities, value, use, or upon
6 such other bases as he shall determine.

7 “(c) The fees and limitations imposed by the President
8 by proclamation under this section and any revocation, sus-
9 pension, or modification thereof, shall become effective on
10 such date as shall be therein specified, and such fees shall
11 be treated for administrative purposes and for the purposes
12 of section 32 of Public Law Numbered 320, Seventy-fourth
13 Congress, approved August 24, 1935, as amended, as duties
14 imposed by the Tariff Act of 1930, but such fees shall not
15 be considered as duties for the purpose of granting any pref-
16 erential concession under any international obligation of the
17 United States.

18 “(d) After investigation, report, finding, and declara-
19 tion in the manner provided in the case of a proclamation
20 issued pursuant to subsection (b) of this section, any proe-
21 clamation or provision of such proclamation may be suspended
22 or terminated by the President whenever he finds and pro-
23 claims that the circumstances requiring the proclamation or
24 provision thereof no longer exist or may be modified by the
25 President whenever he finds and proclaims that changed

1 circumstances require such modification to carry out the
2 purposes of this section.

3 “(e) Any decision of the President as to facts under
4 this section shall be final.

5 “(f) No proclamation under this section shall be en-
6 forced in contravention of any treaty or other international
7 agreement to which the United States is or hereafter becomes
8 a party.”

9 SEC. 4. Section 8 (a), as amended, of the Soil Con-
10 servation and Domestic Allotment Act is amended (a) by
11 striking out “January 1, 1949” wherever appearing therein
12 and inserting in lieu thereof “January 1, 1951”, and (b)
13 by striking out “December 31, 1948” and inserting in lieu
14 thereof “December 31, 1950”.

15 SEC. 5. Notwithstanding any of the provisions of this
16 Act, the Act of July 28, 1945 (59 Stat. 506) shall continue
17 in effect.

18 SEC. 6. This title shall take effect on January 1, 1950,
19 except that sections 3 and 4 shall take effect on the date of
20 enactment of this Act.

21 SEC. 7. Titles II and III of the Agricultural Act of
22 1948 are repealed.

1 That this Act may be cited as the "Agricultural Act of
2 1949".

3 TITLE I—BASIC AGRICULTURAL

4 COMMODITIES

5 SEC. 101. The Secretary of Agriculture (hereinafter
6 called the "Secretary") is authorized and directed to make
7 available through loans, purchases, or other operations, price
8 support to cooperators for any crop of any basic agricul-
9 tural commodity, if producers have not disapproved mar-
10 keting quotas for such crop, at a level not in excess of 90
11 per centum of the parity price of the commodity nor less
12 than the level provided in subsections (a), (b), and (c) as
13 follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 108-----	90
More than 108 but not more than 110-----	89
More than 110 but not more than 112-----	88
More than 112 but not more than 114-----	87
More than 114 but not more than 116-----	86
More than 116 but not more than 118-----	85
More than 118 but not more than 120-----	84
More than 120 but not more than 122-----	83
More than 122 but not more than 124-----	82
More than 124 but not more than 125-----	81
More than 125 but not more than 126-----	80
More than 126 but not more than 127-----	79
More than 127 but not more than 128-----	78
More than 128 but not more than 129-----	77
More than 129 but not more than 130-----	76
More than 130-----	75

1 (c) For tobacco, if marketing quotas are in effect, the
 2 level of support shall be 90 per centum of the parity price.

3 (d) Notwithstanding the foregoing provisions of this
 4 section—

5 (1) the level of support to cooperators shall be 90
 6 per centum of the parity price for a crop of any basic
 7 agricultural commodity for which marketing quotas or
 8 acreage allotments are in effect immediately following
 9 a crop for which neither marketing quotas nor acreage
 10 allotments were in effect;

11 (2) the level of price support to cooperators for
 12 any crop of a basic agricultural commodity, except
 13 tobacco, for which marketing quotas have been dis-
 14 approved by producers shall be 50 per centum of the
 15 parity price of such commodity; and no price support

1 shall be made available for any crop of tobacco for
 2 which marketing quotas have been disapproved by
 3 producers;

4 (3) the level of price support for corn to coop-
 5 erators outside the commercial corn-producing area
 6 shall be 75 per centum of the level of price support to
 7 cooperators in the commercial corn-producing area;

8 (4) price support may be made available to non-
 9 cooperators at such levels, not in excess of the level
 10 of price support to cooperators, as the Secretary deter-
 11 mines will facilitate the effective operation of the
 12 program.

13 TITLE II—DESIGNATED NONBASIC AGRICUL- 14 TURAL COMMODITIES

15 SEC. 201. The Secretary is authorized and directed to
 16 make available (without regard to the provisions of title
 17 III) price support to producers for wool, tung nuts, honey,
 18 Irish potatoes, milk, and butterfat as follows:

19 (a) The price of wool shall be supported through loans,
 20 purchases, or other operations at such level, not in excess
 21 of 90 per centum nor less than 60 per centum of the
 22 parity price therefor, as the Secretary determines necessary
 23 in order to encourage an annual production of approximately
 24 three hundred sixty million pounds of shorn wool;

25 (b) The price of tung nuts, honey, and early, inter-

1 *mediate, and late Irish potatoes, respectively, shall be sup-*
 2 *ported through loans, purchases, or other operations at a level*
 3 *not in excess of 90 per centum nor less than 60 per centum*
 4 *of the parity price therefor;*

5 *(c) The price of whole milk and butterfat, respectively,*
 6 *shall be supported at such level not in excess of 90 per centum*
 7 *nor less than 75 per centum of the parity price therefor as*
 8 *the Secretary determines necessary in order to assure an*
 9 *adequate supply. Such price support shall be provided*
 10 *through loans on, or purchases of, the products of such*
 11 *commodities.*

12 *TITLE III—OTHER NONBASIC AGRICULTURAL* 13 *COMMODITIES*

14 *SEC. 301. The Secretary is authorized to make available*
 15 *through loans, purchases, or other operations price support*
 16 *to producers for any nonbasic agricultural commodity not*
 17 *designated in title II at a level not in excess of 90 per*
 18 *centum of the parity price for the commodity.*

19 *SEC. 302. Without restricting price support to those*
 20 *commodities for which a marketing quota or marketing*
 21 *agreement or order program is in effect, price support shall,*
 22 *insofar as feasible, be made available to producers of any*
 23 *storable nonbasic agricultural commodity for which such a*
 24 *program is in effect and who are complying with such*
 25 *program. The level of such support shall not be in excess*

- 1 of 90 per centum of the parity price of such commodity
 2 nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

- 3 Provided, That the level of price support may be less
 4 than the minimum level provided in the foregoing table if
 5 the Secretary, after examination of the availability of funds
 6 for mandatory price support programs and consideration
 7 of the other factors specified in section 401 (b), determines
 8 that such lower level is desirable and proper.

- 9 SEC. 303. Should a price support operation be under-
 10 taken with respect to any poultry, those chickens known as
 11 broilers shall also be supported (1) at a percentage of the
 12 parity price for broilers which is not less than the percentage of
 13 parity at which the price of such other poultry is supported,
 14 and (2) in a manner which is not less favorable to broiler

1 producers than that in which the price of such other poultry
2 is supported.

3 SEC. 304. In determining the level of price support for
4 any nonbasic agricultural commodity under this title, par-
5 ticular consideration shall be given to the levels at which the
6 prices of competing agricultural commodities are being
7 supported.

8 TITLE IV—MISCELLANEOUS

9 SEC. 401. (a) The Secretary shall provide the price
10 support authorized or required herein through the Com-
11 modity Credit Corporation and other means available to him.

12 (b) Except as otherwise provided in this Act, the
13 amounts, terms, and conditions of price support operations
14 and the extent to which such operations are carried out,
15 shall be determined or approved by the Secretary. The
16 following factors shall be taken into consideration in deter-
17 mining, in the case of any commodity for which price
18 support is discretionary, whether a price-support operation
19 shall be undertaken and the level of such support and, in
20 the case of any commodity for which price support is
21 mandatory, the level of support in excess of the minimum
22 level prescribed for such commodity: (1) the supply of the
23 commodity in relation to the demand therefor, (2) the
24 price levels at which other commodities are being supported
25 and, in the case of feed grains, the feed values of such

1 grains in relation to corn, (3) the availability of funds,
 2 (4) the perishability of the commodity, (5) the importance
 3 of the commodity to agriculture and the national economy,
 4 (6) the ability to dispose of stocks acquired through a price-
 5 support operation, (7) the need for offsetting temporary
 6 losses of export markets, and (8) the ability and willingness
 7 of producers to keep supplies in line with demand.

8 (c) Compliance by the producer with acreage allot-
 9 ments, production goals and marketing practices (including
 10 marketing quotas when authorized by law), prescribed by
 11 the Secretary, may be required as a condition of eligibility
 12 for price support.

13 (d) The level of price support for any commodity shall
 14 be determined upon the basis of its parity price as of the
 15 beginning of the marketing year or season in the case of
 16 any commodity marketed on a marketing year or season basis
 17 and as of January 1 in the case of any other commodity.

18 SEC. 402. Notwithstanding any other provision of this
 19 Act, price support at a level in excess of the maximum level
 20 of price support otherwise prescribed in this Act may be
 21 made available for any agricultural commodity if the Secre-
 22 tary determines, after a public hearing of which reasonable
 23 notice has been given, that price support at such increased
 24 level is necessary in order to prevent or alleviate a shortage
 25 in the supply of any agricultural commodity essential to the

1 national welfare or in order to increase or maintain the
2 production of any agricultural commodity in the interest of
3 national security. The Secretary's determination and the
4 record of the hearing shall be available to the public.

5 *SEC. 403.* Appropriate adjustments may be made in the
6 support price for any commodity for differences in grade,
7 type, staple, quality, location, and other factors. Such ad-
8 justments shall, so far as practicable, be made in such manner
9 that the average support price for such commodity will,
10 on the basis of the anticipated incidence of such factors, be
11 equal to the level of support determined as provided in this
12 Act. Middling seven-eighths inch cotton shall be the stand-
13 ard grade for purposes of parity and price support.

14 *SEC. 404.* The Secretary, in carrying out programs under
15 section 32 of Public Law Numbered 320, Seventy-fourth
16 Congress, approved August 24, 1935, as amended, and sec-
17 tion 6 of the National School Lunch Act, may utilize the
18 services and facilities of the Commodity Credit Corporation
19 (including but not limited to procurement by contract), and
20 make advance payments to it.

21 *SEC. 405.* No producer shall be personally liable for
22 any deficiency arising from the sale of the collateral securing
23 any loan made under authority of this Act unless such loan
24 was obtained through fraudulent representations by the pro-
25 ducer. This provision shall not, however, be construed to

1 prevent the Commodity Credit Corporation or the Secretary
2 from requiring producers to assume liability for deficiencies
3 in the grade, quality, or quantity of commodities stored on
4 the farm or delivered by them, for failure properly to care
5 for and preserve commodities, or for failure or refusal to de-
6 liver commodities in accordance with the requirements of
7 the program.

8 SEC. 406. Nothing in this Act shall prevent the an-
9 nouncement of the level of price support for any agricultural
10 commodity in advance of the beginning of the marketing
11 year or season (January 1 in the case of commodities not
12 marketed on a marketing year or season basis) if the level
13 of price support so announced does not exceed the estimated
14 maximum level of price support specified in this Act, based
15 upon the latest information and statistics available to the
16 Secretary when such level of price support is announced;
17 and the level of price support so announced shall not be
18 reduced if the maximum level of price support when deter-
19 mined, is less than the level so announced.

20 SEC. 407. The Commodity Credit Corporation may sell
21 any farm commodity owned or controlled by it at any price
22 not prohibited by this section. It shall not sell any such
23 commodity at less than the current support price for such
24 commodity plus all costs and expenses to the Corporation,
25 including interest, storage, insurance, and transportation

1 charges, as determined and approved by the Secretary of
2 Agriculture, except that this restriction shall not apply to
3 (A) sales for new or byproduct uses; (B) sales of peanuts
4 and oilseeds for the extraction of oil; (C) sales for seed or
5 feed if such sales will not substantially impair any price-
6 support program; (D) sales of commodities which have
7 substantially deteriorated in quality or as to which
8 there is danger of loss or waste through deterioration or
9 spoilage; (E) sales for the purpose of establishing claims
10 arising out of contract or against persons who have com-
11 mitted fraud, misrepresentation, or other wrongful acts with
12 respect to the commodity; (F) sales for export; (G) sales
13 of wool and mohair; and (H) sales for other than primary
14 uses.

15 SEC. 408. For the purposes of this Act—

16 (a) A commodity shall be considered storable upon
17 determination by the Secretary that, in normal trade
18 practice, it is stored for substantial periods of time and
19 that it can be stored under the price-support program with-
20 out excessive loss through deterioration or spoilage or with-
21 out excessive cost for storage for such periods as will permit
22 its disposition without substantial impairment of the effec-
23 tiveness of the price-support program.

24 (b) A “cooperator” with respect to any basic agri-
25 cultural commodity shall be a producer on whose farm the

1 acreage planted to the commodity does not exceed the farm
2 acreage allotment for the commodity under title III of the
3 Agricultural Adjustment Act of 1938, as amended, or in the
4 case of price support for corn to a producer outside the com-
5 mercial corn-producing area, a producer who complies with
6 conditions of eligibility prescribed by the Secretary. For
7 the purpose of this subsection, a producer shall not be deemed
8 to have exceeded his farm acreage allotment unless such
9 producer knowingly exceeded such allotment.

10 (c) A "basic agricultural commodity" shall mean corn,
11 cotton, peanuts, rice, tobacco, and wheat, respectively.

12 (d) A "nonbasic agricultural commodity" shall mean
13 any agricultural commodity other than a basic agricultural
14 commodity.

15 (e) The "supply percentage" as to any commodity shall
16 be the percentage which the estimated total supply is of
17 the normal supply as determined by the Secretary from the
18 latest available statistics of the Department of Agriculture
19 as of the beginning of the marketing year for the commodity.

20 (f) "Total supply" of any nonbasic agricultural com-
21 modity for any marketing year shall be the carry-over at
22 the beginning of such marketing year, plus the estimated
23 production of the commodity in the United States during
24 the calendar year in which such marketing year begins

1 and the estimated imports of the commodity into the United
2 States during such marketing year.

3 (g) "Carry-over" of any nonbasic agricultural com-
4 modity for any marketing year shall be the quantity of the
5 commodity on hand in the United States at the beginning
6 of such marketing year, not including any part of the crop
7 or production of such commodity which was produced in the
8 United States during the calendar year then current. The
9 carry-over of any such commodity may also include the
10 quantity of such commodity in processed form on hand in
11 the United States at the beginning of such marketing year,
12 if the Secretary determines that the inclusion of such proc-
13 essed quantity of the commodity is necessary to effectuate
14 the purposes of this Act.

15 (h) "Normal supply" of any nonbasic agricultural com-
16 modity for any marketing year shall be (1) the estimated
17 domestic consumption of the commodity for the marketing
18 year for which such normal supply is being determined,
19 plus (2) the estimated exports of the commodity for such
20 marketing year, plus (3) an allowance for carry-over. The
21 allowance for carry-over shall be the average carry-over of
22 the commodity for the five marketing years immediately
23 preceding the marketing year in which such normal supply
24 is determined, adjusted for surpluses or deficiencies caused by
25 abnormal conditions, changes in marketing conditions, or

1 the operation of any agricultural program. In determining
2 normal supply, the Secretary shall make such adjustments
3 for current trends in consumption and for unusual conditions
4 as he may deem necessary, and shall exclude any abnormal
5 consumption or exports resulting from export or diversion
6 operations of the Department of Agriculture or any of its
7 agencies (other than operations pursuant to an international
8 agreement ratified by the Senate) which result in losses to
9 such Department or agencies.

10 (i) "Marketing year" for any nonbasic agricultural
11 commodity means any period determined by the Secretary
12 during which substantially all of a crop or production of
13 such commodity is normally marketed by the producers
14 thereof.

15 (j) Any term defined in the Agricultural Adjustment
16 Act of 1938, shall have the same meaning when used in
17 this Act.

18 SEC. 409. (a) Section 301 (a) (1) (B) of the Agri-
19 cultural Adjustment Act of 1938, as amended by the
20 Agricultural Act of 1948 (defining "adjusted base price"),
21 is amended by adding at the end thereof the following: "As
22 used in this subparagraph, the term 'prices' shall include
23 wartime subsidy payments made to producers under pro-
24 grams designed to maintain maximum prices established
25 under the Emergency Price Control Act of 1942."

1 (b) Section 301 (a) (1) (C) of such Act, as so
 2 amended (defining "parity index", is amended (1) by
 3 inserting after the word "buy" a comma and the following:
 4 "wages paid hired farm labor", and (2) by inserting after
 5 "such prices" a comma and the word "wages".

6 (c) Section 301 (b) (10) (A) of such Act, as so
 7 amended (defining "normal supply"), is amended (1) by
 8 striking out "7 per centum in the case of corn" and insert-
 9 ing in lieu thereof "15 per centum in the case of corn", and
 10 (2) by inserting before the period at the end of the last sen-
 11 tence thereof a comma and the following: "and shall exclude
 12 any abnormal consumption or exports resulting from export
 13 or diversion operations of the Department of Agriculture
 14 or any of its agencies (other than operations pursuant to
 15 an international agreement ratified by the Senate) which
 16 result in losses to such Department or agencies".

17 (d) Section 322 (a) of such Act, as so amended (re-
 18 lating to corn marketing quotas), is amended (1) by striking
 19 out "20 per centum" and inserting in lieu thereof "10 per
 20 centum", and (2) by adding at the end thereof the following:
 21 "With respect to the 1950 crop of corn the determination
 22 and proclamation required by this section may be made, not-
 23 withstanding the foregoing, at any time prior to February
 24 1, 1950, using 1949 as 'such calendar year' for the purposes
 25 of (1) and (2) of the preceding sentence."

1 (e) Section 328 of such Act, as so amended (relating
2 to corn acreage allotments), is amended by striking out
3 “reserve supply level” and inserting in lieu thereof “normal
4 supply”.

5 SEC. 410. Section 4 of the Act of March 8, 1938, as
6 amended (15 U. S. C., 1946 edition, 713a-4), is amended
7 by substituting a colon for the period at the end of the
8 next to the last sentence thereof and adding the following:
9 “Provided, That this sentence shall not limit the authority
10 of the Corporation to issue obligations for the purpose of
11 carrying out its annual budget programs submitted to and
12 approved by the Congress pursuant to the Government Cor-
13 poration Control Act (31 U. S. C., 1946 edition, sec. 841).”

14 SEC. 411. Section 32, as amended, of the Act entitled
15 “An Act to amend the Agricultural Adjustment Act, and
16 for other purposes”, approved August 24, 1935 (U. S. C.,
17 title 7, sec. 612c), is amended by inserting before the last
18 sentence thereof the following: “The sums appropriated
19 under this section shall be devoted principally to perishable
20 nonbasic agricultural commodities (other than those desig-
21 nated in title II of the Agricultural Act of 1949) and their
22 products.”

23 SEC. 412. The President shall appoint, by and with
24 the advice and consent of the Senate, one additional Assistant
25 Secretary of Agriculture. It shall be the duty of such

1 Assistant Secretary, subject to the supervision and direction
2 of the Secretary, to plan and carry out, through the appro-
3 priate agencies of the Department of Agriculture and in co-
4 operation with private business, programs for developing
5 new uses and market outlets, encouraging domestic sales and
6 improved merchandising through regular trade channels,
7 encouraging exports and international trade and exchanges,
8 expanding consumption and use, and diverting and otherwise
9 disposing of agricultural commodities and products. Such
10 Assistant Secretary shall, *ex officio*, be one of the directors
11 of the Commodity Credit Corporation provided for by law.
12 Such Assistant Secretary shall be compensated at the same
13 rate as the other Assistant Secretary of the Department of
14 Agriculture, and shall perform such additional functions as
15 the Secretary may assign.

16 SEC. 413. Determinations made by the Secretary under
17 this Act shall be final and conclusive: Provided, That the
18 scope and nature of such determinations shall not be incon-
19 sistent with the provisions of the Commodity Credit Corpora-
20 tion Charter Act.

21 SEC. 414. This Act shall not be effective with respect to
22 price support operations for any agricultural commodity for
23 any marketing year or season commencing prior to January
24 1, 1950, except to the extent that the Secretary of Agricul-

1 ture shall, without reducing price support theretofore under-
2 taken or announced, elect to apply the provisions of this Act.

3 SEC. 415. Section 302 of the Agricultural Adjustment
4 Act of 1938, as amended, and any provision of law in con-
5 flict with the provisions of this Act are hereby repealed.

6 SEC. 416. (a) Except to the extent superseded by Pub-
7 lic Law 272, Eighty-first Congress, sections 201 (b), 201
8 (d), 201 (e), 203, 204, 206, 207, and 208 of the Agri-
9 cultural Act of 1948 shall be effective for the purpose of
10 taking any action with respect to the 1950 and subsequent
11 crops upon the enactment of this Act. If the time within
12 which any such action is required to be taken shall have
13 elapsed prior to the enactment of this Act, such action shall
14 be taken within thirty days after the enactment of this Act.

15 (b) No provision of the Agricultural Act of 1948 shall
16 be deemed to supersede any provision of Public Law 272,
17 Eighty-first Congress.

18 SEC. 417. In order to prevent the waste of food com-
19 modities acquired through price support operations which
20 are found to be in imminent danger of loss through deteriora-
21 tion or spoilage, the Secretary of Agriculture and the Com-
22 modity Credit Corporation are directed to make such
23 commodities available at the point of storage at no cost, save
24 handling and transportation costs incurred in making de-

1 *livery from the point of storage, to school-lunch programs*
2 *when approved by the Secretary, and to the Bureau of*
3 *Indian Affairs and to Federal, State, and local public*
4 *welfare organizations for the assistance of needy Indians*
5 *and other needy persons.*

Passed the House of Representatives July 21, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 1141

81ST CONGRESS
1ST SESSION

H. R. 5345

[Report No. 1130]

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

JULY 22 (legislative day, JUNE 2), 1949

Read twice and referred to the Committee on
Agriculture and Forestry

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Reported with an amendment

remember the exact vote, but it was passed without serious objection. I very earnestly trust we may pass the measure and let it become a law.

Mr. President, our representative on the United Nations, former Senator Austin, has performed with prodigious toil and labor a great duty and a great task, but he has been seriously embarrassed in not having deputies available when it was necessary for him to sit on the Security Council and to perform his other functions. As indicated in my remarks heretofore, at Paris last year when the Security Council was in session neither Senator Austin nor his deputy were available for a time because of illness. One of the chief purposes of the bill is to provide Senator Austin with a deputy who may sit on the Security Council when Senator Austin is not available, and who may in addition to that sit on the subsidiary commissions when necessary, in order to free Senator Austin from a great deal of the detail, and allow him to perform the high duties connected with policy matters and other matters of high moment.

Mr. LODGE. Mr. President—

Mr. CONNALLY. Does the Senator want me to yield, or does he want the floor?

Mr. LODGE. I merely wanted to express a word of agreement with what the Senator has said.

Mr. CONNALLY. I thank the Senator. I yield the floor to him.

Mr. LODGE. Mr. President, I should like to say a few words in agreement with what has been said by the Senator from Texas, chairman of the Foreign Relations Committee, regarding the pending measure. The committee considered the bill at some length, and I think I was present at all the hearings. It seemed to me that a very convincing case was made for the need of legislation which would define and regularize the use of military personnel, and which would provide the staff and the assistance which would enable our representatives at the United Nations to function effectively.

There is really no excuse for a great Nation such as the United States not having sufficient personnel and not having its efforts organized in such an important world organization as the United Nations, so that the viewpoint of the United States and the interest of the United States can at all times be presented with the utmost effectiveness.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Texas?

Mr. LODGE. I yield.

Mr. CONNALLY. The Senator says it is of the utmost importance that we have sufficient personnel. We not only ought to have sufficient personnel, but we ought to have men of high caliber. It should be unnecessary to call in clerks or persons of second rank in the Government. Does not the Senator agree with that view?

Mr. LODGE. Yes, I think that is true. I do not believe we ought to regard the United Nations as something that is of transient or emergency character, and

be in a situation where, if one of our leading representatives becomes ill, we shall have to rush in someone at the last minute. I think we ought to regard the United Nations as a permanent institution, and that our participation in it is a long-range affair, and that we ought to have representatives with the necessary qualifications who are ready to carry the full load of the work without anyone being overworked, and without being pushed and driven as hard as has been necessary in the past year or two.

I think the bill is well worked out, that the wording of it is accurate and definite. I hope the Senate will pass it.

The VICE PRESIDENT. The bill before the Senate is open to amendment. If there be no amendment, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2093 is indefinitely postponed.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Holland	Maybank
Anderson	Humphrey	Miller
Baldwin	Hunt	Millikin
Bridges	Ives	Morse
Butler	Jenner	Mundt
Chapman	Johnson, Colo.	Murray
Chavez	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Cordon	Kefauver	O'Mahoney
Donnell	Kem	Pepper
Douglas	Kerr	Robertson
Downey	Kilgore	Russell
Eastland	Knowland	Saltonstall
Ecton	Langer	Schoepfel
Ferguson	Leahy	Smith, Maine
Fulbright	Lodge	Stennis
George	Long	Taft
Gillette	Lucas	Taylor
Graham	McCarthy	Thomas, Okla.
Green	McClellan	Thomas, Utah
Gurney	McFarland	Thye
Hayden	McKellar	Watkins
Hendrickson	McMahon	Wherry
Hickenlooper	Magnuson	Wiley
Hill	Malone	Williams
Hoey	Martin	Young

The PRESIDING OFFICER. (Mr. Downey in the chair). A quorum is present.

FARM LEGISLATION

Mr. LUCAS. Mr. President, I wish to make an announcement. As a member of the Committee on Agriculture and Forestry I attended a meeting of the committee this morning, in line with the instructions laid down by the Senate on the recommittal of the so-called Anderson farm bill. The bill was considered by the committee, and we have reported another bill.

As I understand the parliamentary situation, we will be in a position to take the bill up tomorrow if it is reported today. I gave the information to some Senators that we would not take up the farm bill until Monday, but the Committee on Agriculture and Forestry was unanimous in its request that the majority leader have the bill taken up tomorrow, starting at 11 o'clock, believing that within 3 or 4 hours we can pass it, because there are only two controversial amendments, one dealing with tobacco,

offered by the distinguished Senator from Kentucky [Mr. CHAPMAN], and the other the very highly controversial amendment which was offered by the Senator from Georgia [Mr. RUSSELL] and the Senator from North Dakota [Mr. YOUNG].

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. As I understand, if the bill shall be reported today, it can be brought up tomorrow only by unanimous consent. Is not that correct?

Mr. LUCAS. I was under the impression that if it were reported today it would be necessary for it to lie over for just 1 day.

The PRESIDING OFFICER. The Chair is advised that if the Senate adjourned today the bill could be taken up tomorrow. If it recessed, the bill might have to go over 24 hours. Does the majority leader submit a request for unanimous consent?

Mr. LUCAS. I should like to do that. We can do one of two things, we can take the bill up by unanimous consent, but if we cannot get consent, of course we can adjourn over, and after the morning hour tomorrow I understand we can take the bill up.

I ask unanimous consent now that tomorrow—

Mr. SALTONSTALL. Mr. President, sitting in the place of the minority leader at the moment, I hope that the Senator from Illinois will not make the request at this moment, in order that I may be able to consult with some of those on this side who are more interested in the bill than I am.

Mr. LUCAS. I shall withhold the request, under the statement made by the Senator from Massachusetts.

Mr. SALTONSTALL. Is it the Senator's idea to take the bill up tomorrow at the opening of the session, regardless of whether or not the debate has been concluded and the results have been reached on the matters then pending? In other words, does he propose to ask that the unfinished business be sup-
planted?

Mr. LUCAS. The Senator is exactly correct. We are going to take up the farm bill tomorrow, the primary reason being that we hope to finish it tomorrow night and get it into conference, with a view of having a conference report submitted as soon as possible, so that the Senate may adjourn without any question.

Mr. SALTONSTALL. Would the Senator be willing to set a time at which he would make the unanimous-consent request so that I could make certain of the presence of Senators on this side who are interested in the farm bill?

Mr. LUCAS. I do not know how it would be possible to have any more present, other than through a quorum call, which we just had. That was why I was making the unanimous-consent request. But I shall be glad to delay it until the Senator can talk to Senators on his side who are on the Committee on Agriculture and Forestry; but later I shall make the request.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Georgia.

Mr. RUSSELL. I merely wish to ask the majority leader whether the Senator from North Dakota [Mr. Young], who is a member of the Committee on Agriculture and Forestry, was informed of the fact that the Senator was about to make this request.

Mr. LUCAS. I do not say that he had knowledge I was going to make the request, but he did agree that we should take the bill up tomorrow, which means practically the same thing.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to say that if the unanimous consent was not granted, the Senate would adjourn and not take a recess, and that he would move to have the bill considered because of the necessity of getting it into conference?

Mr. LUCAS. The Senator is correct. That is the real, basic reason for not putting it over until Monday.

Mr. MAYBANK. I thank the Senator.

STRATEGIC ORES, METALS, AND MINERALS

Mr. LUCAS. Mr. President I move that the Senate proceed to the consideration of Senate bill 2105, Calendar No. 967.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 1, after line 4, to strike out down to and including line 8 on page 7, and insert:

SEC. 2. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this act, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this act, and shall make special provision for expeditious han-

dling of applications from small mining enterprises.

SEC. 3. A minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.

SEC. 4. To carry out the policy of this act, the Board shall by regulation determine—

(a) the amount of appropriated money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

(b) the amount of appropriated money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

(c) the amount of appropriated money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) the time limits or dates within which contracts for aid for conservation shall terminate.

SEC. 5. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this act, and to provide fair and equitable treatment for all applicants for aid.

(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this act and which must be complied with by applicants for contracts under the provisions of this act.

(c) The Secretary may delegate any of his functions under this act.

(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

SEC. 6. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this act and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine

if the application discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from each deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this act and shall continue to hold all metals or minerals received by him under this act until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stock pile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding

ments in naval efficiency or to more economical methods of administration in the Naval Establishment.

Mr. KNOWLAND. Mr. President, I shall not prolong at this time the discussion in regard to this case. I bow to no one as having rather consistently on the floor of the Senate been an advocate of air power for this country. I do not happen to know, nor have I ever met, the Navy captain in question.

On the 26th day of August, when the appropriation bill for the National Defense Establishment was pending before the Senate, in my remarks, starting on page 12525 of the RECORD, I made perfectly clear my opposition to the cut which reduced the House figures providing for a 58-group Air-Force program to 48 groups. As one who has advocated not that air power alone can solve the problem, because I think any sensible person must recognize the fact that there is required not only a balanced program of the Air Force, the Navy, and the Army, but even a balanced program as between the Defense Establishment itself and our Nation's economy, I rise at this time to express the hope that this matter will not become another Billy Mitchell case. Under the Constitution of the United States, Congress itself is charged with the responsibility of raising and supporting armies and navies; and if the Congress of the United States, because of any departmental regulations, is deprived of contact with persons in the various establishments who can adequately inform us as to the condition of the national defense, then, Mr. President, we are not able to discharge our responsibilities as United States Senators.

The system of placing classifications on documents is one which I think should be very sparingly used by the executive branch of the Government because I know of countless cases in which they have placed a high classification on a document which had no bearing whatsoever upon national defense. It had no bearing whatever, so far as secret weapons are concerned. But the high classification is placed solely for the purpose of preventing such information not only from getting to the public but from getting to Members of the Congress itself. Unless Congress is willing to take a stand and meet the issue head-on, I believe we shall ultimately find that we are to be spoon-fed with information; we are to be given information which someone in a higher echelon believes is the only type of information which it is good for us to have; and then, ultimately, if we rely on that type of information alone, we may find another Pearl Harbor at our doors without being adequately prepared to defend the Nation.

Mr. FERGUSON. Mr. President, I hope that what has happened today in connection with the technical arrest and suspension from duty of Capt. John Crommelin of the United States Navy will not make those in public service feel that they cannot appear before committees of Congress and testify freely and fully to those committees as to various matters regarding the national defense which may be the concern of Congress.

It appears that this disciplinary ac-

tion against Captain Crommelin has been taken just as the House of Representatives started its very important investigation. I want to say upon the floor that if today's Crommelin incident in any way intimidates any officer or any employee of the United States Government to the point of preventing him from giving full and fair testimony before that congressional hearing or any other congressional hearing, it is going to be a very sad day for America.

I have not sufficient knowledge at the present time to comment on the action against Captain Crommelin. I am not sufficiently familiar with the particular letters in question to be informed as to whether they might be considered as giving aid and comfort to a potential enemy. I do think the incident points to the fact that the Military Establishment has it within its power to interfere with testimony which is being given before a committee. That is an evil against which we must guard in America. We must see that the iron curtain can never be lowered by any administration to shut off from the Congress its right to make investigations and to bring out facts which Congress believes should be brought out in the public interest.

In that connection I am concerned with an executive department practice which requires all witnesses attached to the executive who may be called before Congress to clear their appearances with the Bureau of the Budget. To the extent that that practice impedes full and fair disclosure to Congress it is to be condemned.

As I say, I am not condoning or passing judgment in any way upon Captain Crommelin's actions or the propriety of his publicizing the letters in question in the manner that he did. The point I am making is that military discipline and the traditions and regulations for proper channels should never be used to bar Congress from its quest of facts.

It is the duty of Congress to provide for the common defense. Members of the armed forces are responsible to their superiors in the Military Establishment and the executive department. But they are also responsible to the Congress which in the discharge of its duties requires a full disclosure of facts. Internal discipline or proper channels should never be permitted to override the principle of necessary full and fair disclosures to Congress.

We faced this same issue in the early days of the Air Corps and Billy Mitchell. We know what happened at that time, and we know that it should not happen again, so far as giving testimony before committees is concerned.

I hope that what I say today, and what has been said by the Senator from California will make clear to everyone in the armed services the opinion of Congress that the Congress does not want anything to happen which will impede the legislative process in its necessary and proper efforts to get the facts.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed consideration of the bill (S. 2105) to stimulate explora-

tion for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

The PRESIDING OFFICER (Mr. LEAHY in the chair). The question is on agreeing to the committee amendment as amended.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Humphrey	Miller
Anderson	Hunt	Millikin
Baldwin	Ives	Morse
Bridges	Jenner	Mundt
Butler	Johnson, Colo.	Murray
Chapman	Johnson, Tex.	Myers
Chavez	Johnston, S. C.	Neely
Connally	Kefauver	O'Mahoney
Cordon	Kem	Pepper
Donnell	Kerr	Robertson
Douglas	Kilgore	Russell
Downey	Knowland	Saltonstall
Eastland	Langer	Schoeppel
Eaton	Leahy	Smith, Maine
Ferguson	Lodge	Stennis
Fulbright	Long	Taft
George	Lucas	Taylor
Gillette	McCarthy	Thomas, Okla.
Graham	McClellan	Thomas, Utah
Green	McFarland	Thye
Gurney	McKellar	Watkins
Hayden	McMahon	Wherry
Hendrickson	Magnuson	Wiley
Hickenlooper	Malone	Williams
Hill	Martin	Young
Holland	Maybank	

The VICE PRESIDENT. A quorum is present.

FARM LEGISLATION

Mr. LUCAS. Mr. President, in the early part of the day I made a unanimous-consent request with respect to the agricultural bill, which was reported today by the Senate Committee on Agriculture and Forestry. Under the parliamentary situation, in order to take up the bill tomorrow, it is necessary to obtain unanimous consent; otherwise we will have to have an adjournment today and go through the morning hour tomorrow.

I now ask unanimous consent that tomorrow, on the convening of the Senate, the Senate may proceed to the consideration of Senate bill 2522, the so-called farm bill.

Mr. SALTONSTALL. Mr. President, I have talked with members of the Committee on Agriculture and Forestry on the minority side, and I understand there is no objection on their part to taking up the bill tomorrow. I further understand that the majority leader expects the Senate to meet at 11 o'clock a. m. tomorrow.

Mr. LUCAS. The Senator is correct, and I was going to make that announcement. I hope every Senator will be present at 11 o'clock so that after the first quorum call we can start moving on the farm bill. I do not know how much time it will take, but practically all the arguments have been made, and it seems to me we should be able to finish the bill tomorrow.

Mr. SALTONSTALL. I might also say to the majority leader, informally, at least, that so far as I know Senators on this side of the aisle would not object to a unanimous-consent agreement for a vote at a certain hour, if the majority leader decided to make such a request.

Mr. LUCAS. I think perhaps tomorrow I may make such a request.

The VICE PRESIDENT. Does the Senator from Illinois desire to have his request apply also to the House bill, which might be taken up under certain circumstances?

Mr. LUCAS. I thank the Vice President for the suggestion. I include the House bill in the request.

The VICE PRESIDENT. The question is, Is there objection to the waiving of the rule in regard to a bill lying over for one legislative day, and to proceeding to the consideration of the agricultural bill the first thing when the Senate meets tomorrow? The Chair hears none, and it is so ordered.

STRATEGIC ORES, METALS, AND MINERALS

The Senate resumed consideration of the bill (S. 2105) to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes.

Mr. CORDON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CORDON. Is the bill open to further amendment?

The VICE PRESIDENT. The committee amendment is open to further amendment.

Mr. CORDON. I desire to offer an amendment to the committee amendment, and will take but a moment to explain its purpose.

The VICE PRESIDENT. The amendment will be stated.

Mr. CORDON. I think perhaps time will be saved if I read it myself. It is in my own writing.

The amendment I shall presently send to the desk provides in substance for the inclusion in contracts made by the Government with mining operators a provision for repayment of funds which may be advanced to assist in explorations, the liability for payments of such advanced amounts to be limited to a reasonable portion of profits accruing from production resulting from the particular explorations.

The amendment is as follows: On page 11, line 14, after the period I propose to insert the following:

All contracts covering exploration projects shall contain provision for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

I understand the chairman of the Committee on Interior and Insular Affairs has indicated a willingness to accept the amendment. I believe it will be helpful to the legislation itself. I do not believe it can in anywise be prejudicial to the furthering of the purposes of the proposed legislation, and I hope that the amendment may be accepted. I now offer it.

Mr. O'MAHONEY. I have no objection. I will be very happy to accept the amendment.

The VICE PRESIDENT. Without objection, the amendment to the committee amendment is agreed to.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an editorial published in the Engineering and Mining Journal for October 1949, in which are pointed out the reasons why the writer feels this particular bill should not be enacted.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MINE SUBSIDY LEGISLATION

As this is being written, it appears that the O'Mahoney bill (S. 2105) has small chance of being acted upon by Congress in the rush for adjournment. We hope, indeed, that this bill, which would give some metal mines a peacetime Government subsidy, will fail of enactment, because, as it stands, we believe it to be inimical to the best interests both of the mining industry and the Nation.

To begin with, we have approached consideration of subsidy legislation from the firm ground of our belief in the American system of free enterprise. As we have said before (April 1949) in the face of the present world-wide drift toward statism, it may be necessary to modify traditional American concepts of Government and economics in order to preserve our basic freedoms. It would be tragic, however, to let ourselves be frightened into discarding these concepts altogether.

Government subsidization is obviously the antithesis, and the murderer, of private enterprise. On what grounds, then, could the mining industry believe in the one and also accept the doubtful aid of the other?

The answer is clear enough. Only on the basis that the public interest demands it can industry subsidies be defended. It is on this basis alone that air lines, steamship lines, railroads, the farmers, and other groups have at various times been subsidized.

It is equally clear that the public interest demands an adequate and continuing supply of mineral raw materials, preferably from domestic sources. Private industry has done, and is continuing to do, a splendid job in this respect.

However, there are two areas in mining that private industry cannot enter. One is the region of long-shot exploration for ore deposits, where the odds against discovery outweigh the probable rewards.

Private industry cannot afford much of this sort of risk taking; yet there is a very definite need for it. The San Manuel copper-ore body shows that Government can help do the job without becoming involved in the mining business.

The other closed area is the marginal mining property where: (1) Decreasing grade, increasing depth, or other factors have choked off profitable mining; (2) yet the district or the mine still hold substantial reserves of metals that may be permanently lost to industry if the continuity of mining them is broken.

In these areas, and in these areas alone, Government support of mining may be justified under today's conditions. The O'Mahoney bill was written to provide for this sort of Government activity, both in exploration and in support of marginal mines or districts. The bill had the approval of the administration and of the Interior Department.

For our part, we approved of the spirit of the bill, although we had misgivings on several features of it. For example, we doubted, and still doubt, the wisdom of giving such broad spending authority for subsidies to the Interior Department, which still harbors many outspoken advocates of the welfare state. Also, the bill, under its most recent proposed amendments, sets up a potential threat in the special stock pile of metals.

In brief, S. 2105 was hastily written, and it left too much to the imaginations of its proposed administrators. But it did represent an attack on an industry problem that has to be solved sooner or later.

However, when the bill went through committee, it picked up amendments that, among other things, made it mandatory for the Government to pay half the exploration and development costs of any likely prospect or any mine that produced less than 100 tons a month of combined copper, lead, and zinc. These payments were to be handed out merely on application, with only the simplest kind of prior investigation.

The intent of these amendments was to help the small miner, an objective with which we are in complete sympathy. But the effect would have been to make possible a liberal dipping into the taxpayers' pockets that could hardly be justified as an act in the national interest.

We are informed that in a last-minute effort to secure passage, Senator O'Mahoney will offer new amendments, if S. 2105 reaches debate, that will require more thorough investigation of applicants for subsidies. Other features of the bill were to be modified as well.

Despite these changes, however, S. 2105 still offers a threat, rather than a benefit, to mining. It is a hastily and loosely contrived piece of legislation. It lacks the support of even all of the industry elements who would receive its subsidies. And its justification as in the national interest is doubtful, where no doubt should exist.

We look much more hopefully toward action on tax problems, such as outlined or to a revival of the RFC mine development loan, as solutions to the problems of the small miner.

We would welcome, and we will assist, further efforts to bring to the mining industry Governmental aid in these channels, or in the areas defined earlier in this editorial. But we can not support an effort that we sincerely believe would in the end bring mining's house down upon its own head.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from the Acting Director of the Bureau of the Budget to the Secretary of the Interior under date of August 15, 1949, which is printed in the Senate committee report.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 15, 1949.

The honorable the SECRETARY OF THE INTERIOR.
MY DEAR MR. SECRETARY: This will acknowledge your letter of this date requesting the views of this Office on your proposed report to the chairman of the Senate Committee on Interior and Insular Affairs concerning S. 2105, a bill to stimulate exploration for conservation of strategic and critical ores, metals, and minerals and for other purposes. We understand from members of your staff that this replaces and rescinds your letter on this subject of July 28.

Your proposed report enclosed a redraft of the legislation which incorporates a number of points on which agreement has been reached with representatives of the Executive Office in discussions over the past several days. Pursuant to these discussions, you are advised that there would be no objection from the standpoint of the President's program to submission of your proposed report and redraft to the committee.

With respect to the provisions in your redraft concerning Federal aid for minerals production and for maintenance of mines in stand-by condition, it should be emphasized that this clearance is given with the understanding that such Federal assistance is de-

STABILIZATION OF AGRICULTURAL PRICES

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949.—Ordered to be printed

Mr. ANDERSON, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 2522]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2522) to stabilize prices of agricultural commodities, having considered same, report thereon with a recommendation that it do pass with amendments.

STATEMENT

Under direction by the Senate your committee is reporting on S. 2522 which embodies a permanent price-support program for agricultural commodities. Your committee fully realizes the importance of this program to the national welfare and believes the one proposed in this legislation will allow the Federal Government to carry out its proper role in the agricultural economy. The committee has added some additional amendments to the bill as originally reported by it and believes that they improve the former version.

The bill is recommended for enactment as introduced in the Senate with respect to price supports for the six basic commodities, corn, wheat, cotton, tobacco, rice, and peanuts, the bill providing for such price supports at between 90 and 75 percent of modernized parity including hired labor. Price support for tobacco is mandatory under the terms of the bill at 90 percent of parity whenever marketing quotas are in effect, and price support for any basic commodity is mandatory at 90 percent whenever marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect.

While price supports for basic commodities as provided in S. 2522, as introduced, remain unchanged, your committee does recommend amendment of the bill with respect to certain nonbasic commodities. The bill provided that the prices of shorn wool, Irish potatoes, mohair, and tung nuts be supported at between 60 and 90 percent of parity and

the prices of milk and butterfat at between 75 and 90 percent of parity. The provision for the support of shorn wool excluded price support for pulled wool, which is of considerable importance to wool producers. Therefore, the bill is amended so that all wool, including pulled wool, shall be supported at between 60 and 90 percent of parity.

Two other amendments concerning support of certain nonbasic commodities are recommended. The bill is amended to include mandatory price support for honey between 60 and 90 percent of parity and to eliminate the provision for mandatory price support for mohair.

A new provision is also recommended with respect to price supports for broilers. The amendment would provide that whenever the price of any kind of poultry is supported the price of broilers will also be supported at comparable levels.

A new amendment is also recommended which would provide that, in determining the level of price support for any nonbasic commodity, particular consideration shall be given to levels at which the prices of competing farm commodities are being supported.

The bill provides that the Commodity Credit Corporation cannot dispose of any agriculture commodities acquired under the price-support program at less than the current support price for such commodity. This provision is amended to provide that in selling such commodity the costs and expenses incurred through handling charges, transportation and similar charges will be included in the selling price.

The bill is amended to provide that in determining the normal supply of an agricultural commodity, any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture which result in losses shall be excluded from the amount determined as normal supply. This amendment will result in a more realistic computation of normal supplies of agriculture commodities.

Section 412 of the bill provides for the appointment of an Assistant Secretary of Agriculture in charge of sales operations. The duties of such Assistant Secretary will be to plan and carry out programs for marketing and disposition of agriculture commodities, principally acquired through the price-support program, but subject to the supervision and direction of the Secretary. This section is amended by the insertion of new language which will guarantee that in carrying out such programs the new Assistant Secretary will not bypass cooperative organizations and private trade channels wherever it is possible to use them. Second, the new language would safeguard the normal exchange of farm commodities and prevent disruption of the private trade. The purpose of the amendment is the same as that of the original section 412, which is to encourage the development of new markets and means of disposition of surplus agriculture commodities as well as providing an effective system in handling commodities owned by the Federal Government.

In direct connection with the program of disposing of farm commodities acquired by the Federal Government through the price-support program, a new amendment is recommended which provides that the Secretary of Agriculture shall make available such commodities in imminent danger of spoilage to the Indian Bureau, public welfare agencies, and to the school-lunch program, at no cost save handling and transportation costs.

The bill is amended to provide that provisions of the Agricultural Act of 1948 relating to the determination of acreage allotments and marketing quotas should be applicable in 1949 in order that the Secretary could carry out the 1950 program in an orderly manner. The bill is further amended to provide a change in the definition of normal and total supplies for corn and to allow the proclamation, if necessary, of marketing quotas for corn in 1950 to be made up until February 1, 1950. The deferment of such proclamation will be allowed for the 1950 crop only.

At present the Commodity Credit Corporation cannot issue obligations in excess of its assets. Section 410 would permit the Corporation to do so but this provision is not intended to allow the Corporation to issue obligations in excess of \$4,750,000,000. The section is amended to clarify your committee's intention that the Corporation shall continue to be subject to the limitation imposed by the Commodity Credit Corporation charter on the amount of total obligations.

Section 413 provides that determinations made by the Secretary under this bill shall be final and conclusive. Your committee believes that operations of the Commodity Credit Corporation in carrying out price-support programs should be subject to its Board of Directors. Therefore, section 413 is amended to provide that the Secretary shall not have power to override the action of the Board of Directors of the Commodity Credit Corporation in matters subject to the control of the Board.

CONCLUSION

Your committee believes that S. 2522, as amended, will provide a sound and effective farm price-support program which will enable agriculture to maintain its purchasing power and general equality with the other segments of our economy. Therefore, your committee recommends enactment of the bill, as amended, at the earliest possible time.





Calendar No. 1140

81ST CONGRESS
1ST SESSION

S. 2522

[Report No. 1129]

IN THE SENATE OF THE UNITED STATES

AUGUST 31 (legislative day, JUNE 2), 1949

Mr. ANDERSON introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

SEPTEMBER 20 (legislative day, SEPTEMBER 3), 1949

Reported by Mr. ANDERSON, without amendment

OCTOBER 4 (legislative day, SEPTEMBER 3), 1949

Recommitted to the Committee on Agriculture and Forestry

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Reported by Mr. ANDERSON, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To stabilize prices of agricultural commodities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Agricultural Act of
4 1949".

5 **TITLE I—BASIC AGRICULTURAL COMMODITIES**

6 SEC. 101. The Secretary of Agriculture (hereinafter
7 called the "Secretary") is authorized and directed to make
8 available through loans, purchases, or other operations, price
9 support to cooperators for any crop of any basic agricul-

1 tural commodity, if producers have not disapproved mar-
 2 keting quotas for such crop, at a level not in excess of 90
 3 per centum of the parity price of the commodity nor less
 4 than the level provided in subsections (a), (b), and (c) as
 5 follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 108-----	90
More than 108 but not more than 110-----	89
More than 110 but not more than 112-----	88
More than 112 but not more than 114-----	87
More than 114 but not more than 116-----	86
More than 116 but not more than 118-----	85
More than 118 but not more than 120-----	84
More than 120 but not more than 122-----	83
More than 122 but not more than 124-----	82
More than 124 but not more than 125-----	81
More than 125 but not more than 126-----	80
More than 126 but not more than 127-----	79
More than 127 but not more than 128-----	78
More than 128 but not more than 129-----	77
More than 129 but not more than 130-----	76
More than 130-----	75

6 (c) For tobacco, if marketing quotas are in effect, the
 7 level of support shall be 90 per centum of the parity price.

1 (d) Notwithstanding the foregoing provisions of this
2 section—

3 (1) the level of support to cooperators shall be 90
4 per centum of the parity price for a crop of any basic
5 agricultural commodity for which marketing quotas or
6 acreage allotments are in effect immediately following
7 a crop for which neither marketing quotas nor acreage
8 allotments were in effect;

9 (2) the level of price support to cooperators for
10 any crop of a basic agricultural commodity, except
11 tobacco, for which marketing quotas have been dis-
12 approved by producers shall be 50 per centum of the
13 parity price of such commodity; and no price support
14 shall be made available for any crop of tobacco for
15 which marketing quotas have been disapproved by
16 producers;

17 (3) the level of price support for corn to coop-
18 erators outside the commercial corn-producing area
19 shall be 75 per centum of the level of price support to
20 cooperators in the commercial corn-producing area;

21 (4) price support may be made available to non-
22 cooperators at such levels, not in excess of the level
23 of price support to cooperators, as the Secretary deter-
24 mines will facilitate the effective operation of the
25 program.

1 TITLE II—DESIGNATED NONBASIC AGRICUL-
2 TURAL COMMODITIES

3 SEC. 201. The Secretary is authorized and directed to
4 make available (without regard to the provisions of title
5 III) price support to producers for ~~shorn~~ wool, ~~mohair~~,
6 tung nuts, *honey*, Irish potatoes, milk, and butterfat as
7 follows:

8 (a) The price of ~~shorn~~ wool shall be supported through
9 loans, purchases, or other operations at such level, not in
10 excess of 90 per centum nor less than 60 per centum of the
11 parity price therefor, as the Secretary determines necessary
12 in order to encourage an annual production of approximately
13 three hundred sixty million pounds of shorn wool;

14 (b) The price of ~~mohair~~, tung nuts, *honey*, and early,
15 intermediate, and late Irish potatoes, respectively, shall be
16 supported through loans, purchases, or other operations at a
17 level not in excess of 90 per centum nor less than 60 per
18 centum of the parity price therefor;

19 (c) The price of whole milk and butterfat, respectively,
20 shall be supported at such level not in excess of 90 per centum
21 nor less than 75 per centum of the parity price therefor as
22 the Secretary determines necessary in order to assure an
23 adequate supply. Such price support shall be provided
24 through loans on, or purchases of, the products of such
25 commodities.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102.....	90
More than 102 but not more than 104.....	89
More than 104 but not more than 106.....	88
More than 106 but not more than 108.....	87
More than 108 but not more than 110.....	86
More than 110 but not more than 112.....	85
More than 112 but not more than 114.....	84
More than 114 but not more than 116.....	83
More than 116 but not more than 118.....	82
More than 118 but not more than 120.....	81
More than 120 but not more than 122.....	80
More than 122 but not more than 124.....	79
More than 124 but not more than 126.....	78
More than 126 but not more than 128.....	77
More than 128 but not more than 130.....	76
More than 130.....	75

1 *Provided*, That the level of price support may be less
2 than the minimum level provided in the foregoing table if
3 the Secretary, after examination of the availability of funds
4 for mandatory price support programs and consideration
5 of the other factors specified in section 401 (b), determines
6 that such lower level is desirable and proper.

7 *SEC. 303. Should a price support operation be under-*
8 *taken with respect to any poultry, those chickens known*
9 *as broilers shall also be supported (1) at a percentage*
10 *of the parity price for broilers which is not less than the*
11 *percentage of parity at which the price of such other poultry*
12 *is supported, and (2) in a manner which is not less favor-*
13 *able to broiler producers than that in which the price of*
14 *such other poultry is supported.*

15 *SEC. 304. In determining the level of price support*
16 *for any nonbasic agricultural commodity under this title,*
17 *particular consideration shall be given to the levels at which*
18 *the prices of competing agricultural commodities are being*
19 *supported.*

20 **TITLE IV—MISCELLANEOUS**

21 **SEC. 401. (a)** The Secretary shall provide the price
22 support authorized or required herein through the Com-
23 modity Credit Corporation and other means available to him.

24 **(b)** Except as otherwise provided in this Act, the
25 amounts, terms, and conditions of price support operations

1 and the extent to which such operations are carried out,
2 shall be determined or approved by the Secretary. The
3 following factors shall be taken into consideration in deter-
4 mining, in the case of any commodity for which price
5 support is discretionary, whether a price support operation
6 shall be undertaken and the level of such support and, in
7 the case of any commodity for which price support is
8 mandatory, the level of support in excess of the minimum
9 level prescribed for such commodity: (1) the supply of the
10 commodity in relation to the demand therefor, (2) the
11 price levels at which other commodities are being supported
12 and, in the case of feed grains, the feed values of such
13 grains in relation to corn, (3) the availability of funds,
14 (4) the perishability of the commodity, (5) the importance
15 of the commodity to agriculture and the national economy,
16 (6) the ability to dispose of stocks acquired through a price
17 support operation, (7) the need for offsetting temporary
18 losses of export markets, and (8) the ability and willingness
19 of producers to keep supplies in line with demand.

20 (c) Compliance by the producer with acreage allot-
21 ments, production goals and marketing practices (including
22 marketing quotas when authorized by law), prescribed by
23 the Secretary, may be required as a condition of eligibility
24 for price support.

25 (d) The level of price support for any commodity shall

1 be determined upon the basis of its parity price as of the
2 beginning of the marketing year or season in the case of
3 any commodity marketed on a marketing year or season basis
4 and as of January 1 in the case of any other commodity.

5 SEC. 402. Notwithstanding any other provision of this
6 Act, price support at a level in excess of the maximum level
7 of price support otherwise prescribed in this Act may be
8 made available for any agricultural commodity if the Secre-
9 tary determines, after a public hearing of which reasonable
10 notice has been given, that price support at such increased
11 level is necessary in order to prevent or alleviate a shortage
12 in the supply of any agricultural commodity essential to the
13 national welfare or in order to increase or maintain the
14 production of any agricultural commodity in the interest of
15 national security. The Secretary's determination and the
16 record of the hearing shall be available to the public.

17 SEC. 403. Appropriate adjustments may be made in the
18 support price for any commodity for differences in grade,
19 type, staple, quality, location, and other factors. Such ad-
20 justments shall, so far as practicable, be made in such manner
21 that the average support price for such commodity will,
22 on the basis of the anticipated incidence of such factors, be
23 equal to the level of support determined as provided in this
24 Act. Middling seven-eighths inch cotton shall be the stand-
25 ard grade for purposes of parity and price support.

1 SEC. 404. The Secretary, in carrying out programs under
2 section 32 of Public Law Numbered 320, Seventy-fourth
3 Congress, approved August 24, 1935, as amended, and sec-
4 tion 6 of the National School Lunch Act, may utilize the
5 services and facilities of the Commodity Credit Corporation
6 (including but not limited to procurement by contract), and
7 make advance payments to it.

8 SEC. 405. No producer shall be personally liable for
9 any deficiency arising from the sale of the collateral securing
10 any loan made under authority of this Act unless such loan
11 was obtained through fraudulent representations by the pro-
12 ducer. This provision shall not, however, be construed to
13 prevent the Commodity Credit Corporation or the Secretary
14 from requiring producers to assume liability for deficiencies
15 in the grade, quality, or quantity of commodities stored on
16 the farm or delivered by them, for failure properly to care
17 for and preserve commodities, or for failure or refusal to de-
18 liver commodities in accordance with the requirements of
19 the program.

20 SEC. 406. Nothing in this Act shall prevent the an-
21 nouncement of the level of price support for any agricultural
22 commodity in advance of the beginning of the marketing
23 year or season (January 1 in the case of commodities not
24 marketed on a marketing year or season basis) if the level

1 of price support so announced does not exceed the estimated
2 maximum level of price support specified in this Act, based
3 upon the latest information and statistics available to the
4 Secretary when such level of price support is announced;
5 and the level of price support so announced shall not be
6 reduced if the maximum level of price support when deter-
7 mined, is less than the level so announced.

8 SEC. 407. The Commodity Credit Corporation may sell
9 any farm commodity owned or controlled by it at any price
10 not prohibited by this section. It shall not sell any such
11 commodity at less than the current support price for such
12 commodity *plus all costs and expenses to the Corporation,*
13 *including interest, storage, insurance, and transportation*
14 *charges, as determined and approved by the Secretary of*
15 *Agriculture*, except that this restriction shall not apply to
16 (A) sales for new or byproduct uses; (B) sales of peanuts
17 and oilseeds for the extraction of oil; (C) sales for seed or
18 feed if such sales will not substantially impair any price-
19 support program; (D) sales of commodities which have
20 substantially deteriorated in quality or as to which
21 there is danger of loss or waste through deterioration or
22 spoilage; (E) sales for the purpose of establishing claims
23 arising out of contract or against persons who have com-
24 mitted fraud, misrepresentation, or other wrongful acts with
25 respect to the commodity; (F) sales for export; (G) sales

1 of wool and mohair; and (H) sales for other than primary
2 uses.

3 SEC. 408. For the purposes of this Act—

4 (a) A commodity shall be considered storable upon
5 determination by the Secretary that, in normal trade
6 practice, it is stored for substantial periods of time and
7 that it can be stored under the price-support program with-
8 out excessive loss through deterioration or spoilage or with-
9 out excessive cost for storage for such periods as will permit
10 its disposition without substantial impairment of the effec-
11 tiveness of the price-support program.

12 (b) A “cooperator” with respect to any basic agri-
13 cultural commodity shall be a producer on whose farm the
14 acreage planted to the commodity does not exceed the farm
15 acreage allotment for the commodity under title III of the
16 Agricultural Adjustment Act of 1938, as amended, or in the
17 case of price support for corn to a producer outside the com-
18 mercial corn-producing area, a producer who complies with
19 conditions of eligibility prescribed by the Secretary. For
20 the purpose of this subsection, a producer shall not be deemed
21 to have exceeded his farm acreage allotment unless such
22 producer knowingly exceeded such allotment.

23 (c) A “basic agricultural commodity” shall mean corn,
24 cotton, peanuts, rice, tobacco, and wheat, respectively.

25 (d) A “nonbasic agricultural commodity” shall mean

1 any agricultural commodity other than a basic agricultural
2 commodity.

3 (e) The "supply percentage" as to any commodity shall
4 be the percentage which the estimated total supply is of
5 the normal supply as determined by the Secretary from the
6 latest available statistics of the Department of Agriculture
7 as of the beginning of the marketing year for the commodity.

8 (f) "Total supply" of any nonbasic agricultural com-
9 modity for any marketing year shall be the carry-over at
10 the beginning of such marketing year, plus the estimated
11 production of the commodity in the United States during
12 the calendar year in which such marketing year begins
13 and the estimated imports of the commodity into the United
14 States during such marketing year.

15 (g) "Carry-over" of any nonbasic agricultural com-
16 modity for any marketing year shall be the quantity of the
17 commodity on hand in the United States at the beginning
18 of such marketing year, not including any part of the crop
19 or production of such commodity which was produced in the
20 United States during the calendar year then current. The
21 carry-over of any such commodity may also include the
22 quantity of such commodity in processed form on hand in
23 the United States at the beginning of such marketing year,
24 if the Secretary determines that the inclusion of such proc-

1 essed quantity of the commodity is necessary to effectuate
2 the purposes of this Act.

3 (h) "Normal supply" of any nonbasic agricultural com-
4 modity for any marketing year shall be (1) the estimated
5 domestic consumption of the commodity for the marketing
6 year for which such normal supply is being determined,
7 plus (2) the estimated exports of the commodity for such
8 marketing year, plus (3) an allowance for carry-over. The
9 allowance for carry-over shall be the average carry-over of
10 the commodity for the five marketing years immediately
11 preceding the marketing year in which such normal supply
12 is determined, adjusted for surpluses or deficiencies caused by
13 abnormal conditions, changes in marketing conditions, or
14 the operation of any agricultural program. In determining
15 normal supply, the Secretary shall make such adjustments
16 for current trends in consumption and for unusual conditions
17 as he may deem necessary, *and shall exclude any abnormal*
18 *consumption or exports resulting from export or diversion*
19 *operations of the Department of Agriculture or any of its*
20 *agencies (other than operations pursuant to an interna-*
21 *tional agreement ratified by the Senate) which result in*
22 *losses to such Department or agencies.*

23 (i) "Marketing year" for any nonbasic agricultural
24 commodity means any period determined by the Secretary

1 during which substantially all of a crop or production of
 2 such commodity is normally marketed by the producers
 3 thereof.

4 (j) Any term defined in the Agricultural Adjustment
 5 Act of 1938 shall have the same meaning when used in
 6 this Act.

7 SEC. 409. (a) Section 301 (a) (1) (B) of the Agri-
 8 cultural Adjustment Act of 1938, as amended by the
 9 Agricultural Act of 1948 (defining "adjusted base price"),
 10 is amended by adding at the end thereof the following: "As
 11 used in this subparagraph, the term 'prices' shall include
 12 wartime subsidy payments made to producers under pro-
 13 grams designed to maintain maximum prices established
 14 under the Emergency Price Control Act of 1942."

15 (b) Section 301 (a) (1) (C) of such Act, as so
 16 amended (defining "parity index"), is amended (1) by
 17 inserting after the word "buy" a comma and the following:
 18 "wages paid hired farm labor", and (2) by inserting after
 19 "such prices" a comma and the word "wages".

20 (c) Section 301 (b) (10) (A) of such Act, as so
 21 amended (defining "normal supply"), is ~~amended~~ amended
 22 (1) by striking out "7 per centum in the case of corn" and
 23 inserting in lieu thereof "~~10 per centum~~ 15 per centum in
 24 the case of corn", and (2) by inserting before the period at
 25 the end of the last sentence thereof a comma and the following:

1 *“and shall exclude any abnormal consumption or exports*
 2 *resulting from export or diversion operations of the Depart-*
 3 *ment of Agriculture or any of its agencies (other than opera-*
 4 *tions pursuant to an international agreement ratified by the*
 5 *Senate) which result in losses to such Department or agencies”.*

6 *(d) Section 322 (a) of such Act, as so amended (relat-*
 7 *ing to corn marketing quotas), is amended (1) by striking*
 8 *out “20 per centum” and inserting in lieu thereof “10 per*
 9 *centum”, and (2) by adding at the end thereof the following:*
 10 *“With respect to the 1950 crop of corn the determination and*
 11 *proclamation required by this section may be made, notwith-*
 12 *standing the foregoing, at any time prior to February 1, 1950,*
 13 *using 1949 as ‘such calendar year’ for the purposes of (1)*
 14 *and (2) of the preceding sentence.”*

15 *(e) Section 328 of such Act, as so amended (relating*
 16 *to corn acreage allotments), is amended by striking out*
 17 *“reserve supply level” and inserting in lieu thereof “normal*
 18 *supply”.*

19 SEC. 410. Section 4 of the Act of March 8, 1938, as
 20 amended (15 U. S. C., 1946 edition, 713a-4), is amended
 21 by substituting a colon for the period at the end of the
 22 next to the last sentence thereof and adding the following:
 23 *“Provided, That the foregoing this sentence shall not limit the*
 24 *authority of the Corporation to issue obligations for the*
 25 *purpose of carrying out its annual budget programs sub-*

mitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841)."

SEC. 411. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

SEC. 412. The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture in Charge of Sales Operations. It shall be the duty of such Assistant Secretary, subject to the supervision and direction of the Secretary, to plan and carry out, through the Production and Marketing Administration, the Commodity Credit Corporation, and other agencies within the Department of Agriculture, programs for marketing and otherwise disposing of agricultural commodities and products acquired through price support and other activities of the Department. In planning and carrying out such programs such Assistant Secretary shall strive to make such commodities and products available for pur-

1 chase in areas of the country in which they are in
2 short supply and in which prices for such commodi-
3 ties and products are above support levels. Such As-
4 sistant Secretary shall, ex officio, be one of the directors of
5 the Commodity Credit Corporation provided for by law.
6 Programs affecting the disposition of property of the Com-
7 modity Credit Corporation shall be subject to the approval
8 of its board of directors and the Secretary. Such Assistant
9 Secretary shall be compensated at the same rate as the
10 other Assistant Secretary of the Department of Agriculture
11 and shall perform such additional functions as the Secretary
12 may assign. *The President shall appoint, by and with the*
13 *advice and consent of the Senate, one additional Assistant*
14 *Secretary of Agriculture. It shall be the duty of such*
15 *Assistant Secretary, subject to the supervision and direction*
16 *of the Secretary, to plan and carry out, through the appro-*
17 *priate agencies of the Department of Agriculture and in*
18 *cooperation with private business, programs for developing*
19 *new uses and market outlets, encouraging domestic sales and*
20 *improved merchandising through regular trade channels,*
21 *encouraging exports and international trade and exchanges,*
22 *expanding consumption and use, and diverting and other-*
23 *wise disposing of agricultural commodities and products.*
24 *Such Assistant Secretary shall, ex officio, be one of the*
25 *directors of the Commodity Credit Corporation provided for*

1 *by law. Such Assistant Secretary shall be compensated at*
2 *the same rate as the other Assistant Secretary of the Depart-*
3 *ment of Agriculture, and shall perform such additional*
4 *functions as the Secretary may assign.*

5 SEC. 413. Determinations made by the Secretary under
6 this Act shall be final and conclusive: *Provided, That the*
7 *scope and nature of such determinations shall not be incon-*
8 *sistent with the provisions of the Commodity Credit Cor-*
9 *poration Charter Act.*

10 SEC. 414. This Act shall not be effective with respect to
11 price support operations for any agricultural commodity for
12 any marketing year or season commencing prior to January
13 1, 1950, except to the extent that the Secretary of Agricul-
14 ture shall, without reducing price support theretofore under-
15 taken or announced, elect to apply the provisions of this Act.

16 SEC. 415. Section 302 of the Agricultural Adjustment
17 Act of 1938, as amended, and any provision of law in con-
18 flict with the provisions of this Act are hereby repealed.

19 SEC. 416. (a) *Except to the extent superseded by Public*
20 *Law 272, Eighty-first Congress, sections 201 (b), 201 (d),*
21 *201 (e), 203, 204, 206, 207, and 208 of the Agricultural*
22 *Act of 1948 shall be effective for the purpose of taking*
23 *any action with respect to the 1950 and subsequent crops*
24 *upon the enactment of this Act. If the time within which*
25 *any such action is required to be taken shall have elapsed*

1 prior to the enactment of this Act, such action shall be taken
2 within thirty days after the enactment of this Act.

3 (b) No provision of the Agricultural Act of 1948
4 shall be deemed to supersede any provision of Public Law
5 272, Eighty-first Congress.

6 SEC. 417. In order to prevent the waste of food com-
7 modities acquired through price support operations which
8 are found to be in imminent danger of loss through dete-
9 rioration or spoilage, the Secretary of Agriculture and the
10 Commodity Credit Corporation are directed to make such
11 commodities available at the point of storage at no cost,
12 save handling and transportation costs incurred in making
13 delivery from the point of storage, to school-lunch programs
14 when approved by the Secretary, and to the Bureau of
15 Indian Affairs and to Federal, State, and local public wel-
16 fare organizations for the assistance of needy Indians and
17 other needy persons.

A BILL

To stabilize prices of agricultural commodities.

By Mr. ANDERSON

AUGUST 31 (legislative day, JUNE 2), 1949

Read twice and referred to the Committee on
Agriculture and Forestry

SEPTEMBER 20 (legislative day, SEPTEMBER 3), 1949

Reported without amendment

OCTOBER 4 (legislative day, SEPTEMBER 3), 1949

Recommitted to the Committee on Agriculture and
Forestry

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Reported with amendments

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MAGNUSON to the bill (S. 2522)
to stabilize prices of agricultural commodities, viz: On page
16, line 16, insert the following:

1 SEC. 416. Subsection (f) of section 22 of the Agricul-
2 tural Adjustment Act, as reenacted by section 3 of the
3 Agricultural Act of 1948 (Public Law 897, Eightieth Con-
4 gress), is hereby amended to read as follows:

5 “(f) No international agreement hereafter shall be
6 entered into by the United States, or renewed, extended or
7 allowed to extend beyond its permissible termination date
8 in contravention of this section.”

81ST CONGRESS
1ST Session

S. 2522

AMENDMENT

Intended to be proposed by Mr. MAGNUSON to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

S. 2522

IN THE SENATE OF THE UNITED STATES

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522) to stabilize prices of agricultural commodities, viz: On page 10, line 7, strike out section 407 and insert in lieu thereof the following:

1 SEC. 407. The Commodity Credit Corporation may
2 sell any farm commodity owned or controlled by it at any
3 price not prohibited by this section. In determining sales
4 policies for basic agricultural commodities, the Corporation
5 should give consideration to the establishing of such policies
6 with respect to prices, terms, and conditions as it deter-
7 mines will not discourage or deter manufacturers, processors,
8 and dealers from acquiring and carrying normal inventories
9 of the commodity of the current crop. The Corporation
10 shall not sell any basic agricultural commodity at less than

1 5 per centum above the current support price for such com-
2 modity, plus all accrued charges, including interest on such
3 commodity from the first day of the marketing year in
4 which such sale is made. The foregoing restrictions shall
5 not apply to (A) sales for new or byproduct uses; (B)
6 sales of peanuts and oilseeds for the extraction of oil; (C)
7 sales for seed or feed if such sales will not substantially
8 impair any price-support program; (D) sales of commod-
9 ities which have substantially deteriorated in quality or as
10 to which there is a danger of loss or waste through deteriora-
11 tion or spoilage; (E) sales for the purpose of establishing
12 claims arising out of contract or against persons who have
13 committed fraud, misrepresentation, or other wrongful acts
14 with respect to the commodity; (F) sales for export; (G)
15 sales of wool and mohair; and (H) sales for other than
16 primary uses.

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 2522) to stabilize prices of agricultural commodities.

OCTOBER 6 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

Senate version of the bill amounts to \$1,-500,000,000, which is the smallest omnibus bill for such purposes in recent years at least. But it is a good one, and will carry 151 projects to completion or through 3 years.

I should like the Senate to know that the members of the Committee on Public Works have been diligent and considerate. I am really proud of the committee members who have served the Senate so well in this session.

I ask unanimous consent that the résumé be printed at this point in the RECORD.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

Bill number	Title and purpose	Date approved (or comment)	Public Law No.
S. 713.....	To authorize an increase in the limit of cost of the General Accounting Office from \$22,850,000 to \$25,400,000.	Feb. 25, 1949.....	10
S. 714.....	To authorize comprehensive planning, site acquisition, and major repair to Federal buildings and transferring jurisdiction over certain lands. For major repairs, \$30,000,000; for advancing planning and site acquisition, \$40,000,000.	June 16, 1949.....	105
S. 755.....	To extend the time for commencing and completing the construction of a bridge across the Ohio River in Illinois.	Aug. 10, 1949.....	217
S. 855.....	To authorize a program of public works in Alaska on a cost-sharing basis with the Territorial government or its political subdivisions. Estimated cost, \$70,000,000.	Aug. 24, 1949.....	264
S. 1432.....	To provide for a Commission on Renovation of the Executive Mansion.	Apr. 14, 1949.....	40
S. 1577.....	To authorize reenactment of the act creating the City of Clinton Bridge Commission for purposes of a bridge over the Mississippi between Clinton, Iowa, and Fulton, Ill.	Aug. 10, 1949.....	220
S. 2002.....	To provide for a method of financing the acquisition and construction by the city of Duluth of certain bridges across the St. Louis River.	Reported to Senate Sept. 29; pending on Calendar.	.....
H. R. 1154.....	To authorize \$800,000 for construction of extension and improvement of post-office facilities at Los Angeles.	Aug. 17, 1949.....	238
H. R. 2214.....	To provide for the development, administration, and maintenance of the Suitland Parkway in Maryland as an extension of the District of Columbia park system.	.....do.....	242
S. 2116.....	To authorize advance planning of public works in the States by non-Federal agencies; authorizes \$100,000,000 in loans over 2-year period for costs of surveys and plans preliminary to construction.	Passed Senate and House and awaits Presidential approval.	.....
H. R. 5356.....	To authorize conveyance of land in Stoughton, Mass., to the Norfolk County Trust Co.	Awaits approval.	.....
H. R. 3071.....	To authorize the Secretary of the Army to buy property along the Muskingum River in Morgan County, Ohio, for navigation purposes. Cost of \$25,000.	Sept. 7, 1949.....	237
H. R. 3197.....	To authorize the sale of a marine hospital at Louisville, Ky., which is surplus, to the city of Louisville.	Sept. 8, 1949.....	304
H. R. 3478.....	To extend the time for completing construction of a bridge across the Mississippi near St. Louis, Mo.	Sept 7, 1949.....	239
S. 2374.....	To provide for an extension of 1 year from June 30, 1950, for completion of certain construction programs authorized in the Philippine Rehabilitation Act of 1946. Estimated that 15 percent of work remains to be done under program.	.....do.....	295
S. J. Res. 129.....	To authorize the Commission on Renovation of the Executive Mansion to preserve or dispose of material removed from the Mansion in renovation.	Pending on Senate Calendar.	.....
H. R. 5472.....	Omnibus River and Harbor and Flood Control Act. Estimated cost in Senate bill, \$1,564,814,000.	Authorized to be reported from Senate Committee on Public Works Sept. 7, 1949.	.....
S. 384.....	To authorize conveyance to the Temple Methodist Church of San Francisco a portion of a federally owned building if vacated by the Government within 10 years.	Pending in Senate.	.....
H. R. 2660.....	To prohibit parking on property used for postal purposes.	.....do.....	.....

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The VICE PRESIDENT. Under the unanimous-consent agreement of yesterday, the agricultural bill is automatically before the Senate. The Chair would like to ask whether it is desired to take up the Senate bill or the House bill, because the unanimous-consent agreement applied to both.

Mr. LUCAS. I ask that the House bill be considered.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That this act may be cited as the "Agricultural Act of 1949."

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 percent of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:

Not more than 102.....	90
More than 102 but not more than 104.....	89
More than 104 but not more than 106.....	88
More than 106 but not more than 108.....	87
More than 108 but not more than 110.....	86
More than 110 but not more than 112.....	85
More than 112 but not more than 114.....	84
More than 114 but not more than 116.....	83
More than 116 but not more than 118.....	82
More than 118 but not more than 120.....	81
More than 120 but not more than 122.....	80
More than 122 but not more than 124.....	79
More than 124 but not more than 126.....	78
More than 126 but not more than 128.....	77
More than 128 but not more than 130.....	76
More than 130.....	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:

Not more than 108.....	90
More than 108 but not more than 110.....	89
More than 110 but not more than 112.....	88
More than 112 but not more than 114.....	87
More than 114 but not more than 116.....	86
More than 116 but not more than 118.....	85
More than 118 but not more than 120.....	84
More than 120 but not more than 122.....	83
More than 122 but not more than 124.....	82
More than 124 but not more than 126.....	81
More than 126 but not more than 128.....	80
More than 128 but not more than 130.....	79
More than 130.....	78
More than 130.....	77
More than 130.....	76
More than 130.....	75

The level of support shall be not less than the following percentage of the parity price

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 percent of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) the level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect immediately following a crop for which neither marketing quotas nor acreage allotments were in effect;

(2) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 percent of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(3) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 percent of the level of price support to cooperators in the commercial corn-producing area;

(4) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool, tung nuts, honey, Irish potatoes, milk, and butterfat as follows:

(a) The price of wool shall be supported through loans, purchases, or other operations at such level, not in excess of 90 percent nor

less than 60 percent of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool;

(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 percent nor less than 60 percent of the parity price therefor;

(c) The price of whole milk and butterfat, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of such commodities.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 percent of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 percent of the parity price of such commodity nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price
Not more than 102-----	90
More than 102 but not more than 104--	89
More than 104 but not more than 106--	88
More than 106 but not more than 108--	87
More than 108 but not more than 110--	86
More than 110 but not more than 112--	85
More than 112 but not more than 114--	84
More than 114 but not more than 116--	83
More than 116 but not more than 118--	82
More than 118 but not more than 120--	81
More than 120 but not more than 122--	80
More than 122 but not more than 124--	79
More than 124 but not more than 126--	78
More than 126 but not more than 128--	77
More than 128 but not more than 130--	76
More than 130-----	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

SEC. 303. Should a price-support operation be undertaken with respect to any poultry, those chickens known as broilers shall also be supported (1) at a percentage of the parity price for broilers which is not less than the percentage of parity at which the price of such other poultry is supported, and (2) in a manner which is not less favorable to broiler producers than that in which the price of such other poultry is supported.

SEC. 304. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(c) Compliance by the producer with acreage allotments, production goals, and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

SEC. 402. Notwithstanding any other provision of this act, price support at a level in excess of the maximum level of price support otherwise prescribed in this act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this act unless such loan was obtained through fraudulent representa-

tions by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

SEC. 406. Nothing in this act shall prevent the announcement of the level of price support for any agricultural commodity in advance of the beginning of the marketing year or season—January 1 in the case of commodities not marketed on a marketing year or season basis—if the level of price support so announced does not exceed the estimated maximum level of price support specified in this act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. It shall not sell any such commodity at less than the current support price for such commodity plus all costs and expenses to the Corporation, including interest, storage, insurance, and transportation charges, as determined and approved by the Secretary of Agriculture, except that this restriction shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool and mohair; and (H) sales for other than primary uses.

SEC. 408. For the purposes of this act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

(d) A "nonbasic agricultural commodity" shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The "supply percentage" as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from

to throw prices greatly out of line, as in the case of soybeans during this year, when the Corporation started buying soybeans for export after all the soybeans were out of the farmers' hands. The Corporation ran the price up from \$2.30 to \$3.67 a bushel, approximately; and the middlemen got all the profit from that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. If the Commodity Credit Corporation withdraws from the market and does not buy, naturally in times of heavy shipments the prices will be depressed; and that has been done.

Mr. AIKEN. I think that has been done no longer than a few months ago.

Mr. WHERRY. Yes—and at Kansas City, during the election.

Mr. FERGUSON. The case to which the Senator from Vermont refers was one in which the Commodity Credit Corporation actually used commodities it owned and had in storage to break the price. Is that correct?

Mr. AIKEN. Well, in the case of soybeans the effect was to boost the price.

Mr. FERGUSON. That case was different and the method employed was different from the one the minority leader just cited.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ANDERSON. I wish to say that just this morning I received from the Department of Agriculture a suggestion of additional modifications which it would like to have made. I remind the Senator that this is a section which undoubtedly will be studied in conference, so as to make sure that it is in all respects what everyone wants. But I believe the language now proposed improves the original provision.

Mr. AIKEN. At any rate, I think the amendment will adequately control the situation for the next 10 months.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WHERRY. In order to make the record absolutely clear, let me say that although the question I asked a moment ago would not be applicable in this case, yet it seems to me there will be no protection relative to the point raised a few moments ago by the distinguished Senator, even though the amendment is adopted.

Mr. AIKEN. That is correct. I do not know that there is any protection in any law against having the Commodity Credit Corporation buy heavily at one period, and subsequently dispose of its purchases at another period.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DONNELL. Will the Senator be kind enough to explain what the language "(H) sales for other than primary uses" means? I understand that the restrictions do not apply to such sales.

Mr. AIKEN. That language was included in title II of the 1943 act. It was explained to us at the time that there

was some question as to the propriety or even the legality of selling potatoes for the manufacture of alcohol; in other words, whether that manufacture into alcohol would be considered a byproduct use, or just what use it would be considered as being. It was said that if subsection (H) were included, it would certainly cover the sale of potatoes to be manufactured into alcohol, and also would cover any other unforeseen contingencies.

Mr. ANDERSON. Mr. President, in view of the fact that on yesterday the committee removed mohair from the supported group, I should like to ask unanimous consent to modify my amendment, on page 2, in line 15, by striking out the words "and mohair" after the word "wool."

The VICE PRESIDENT. The Senator can modify his amendment without obtaining unanimous consent.

Mr. ANDERSON. Very well, Mr. President; I so modify the amendment.

The VICE PRESIDENT. The modification will be stated.

The CHIEF CLERK. The amendment is modified, on page 2, in line 15, by striking out the words "and mohair" after the word "wool."

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from New Mexico.

Mr. DONNELL. Mr. President, will the Senator from New Mexico yield for a question?

Mr. ANDERSON. I yield.

Mr. DONNELL. I should like to have the Senator explain his views regarding the fact that the restrictions in his amendment, and likewise those in the committee amendment under section 407, do not apply to "sales for other than primary uses." The Senator from Vermont very kindly explained it a moment ago; but I should like to see whether the Senator from New Mexico can give us some further reason why such broad language is used.

The thought I have in mind is that here we have certain restrictions which obviously are thought to be well-founded. Yet when we read the provisions as to the things to which the restrictions do not apply, it is difficult to understand exactly the situation.

The thought I have in mind in making my inquiry is this, and I should like to obtain the Senator's idea regarding it: His amendment adds to the committee amendment, as I understand, the second sentence, and in the second sentence the Corporation is required, in determining sales policies, to give consideration to the establishing of such policies with respect to prices, and so forth, as it determines will not discourage or deter manufacturers, and so forth. Then a further protection is included, by means of which it is provided that the Corporation shall not sell any basic agricultural commodity at less than 5 percent above the current support price, which provision is an addition to the committee amendment. Then, however, we come to the concluding sentence and to a list of commodities to which the foregoing restrictions shall

not apply. I take it that most of them are reasonably clear, and perhaps are entirely clear to those who are experts along these lines.

But when we reach the last item, "(H) sales for other than primary uses," I am in doubt as to what that means and why it is necessary to have so broad and, to my mind, a somewhat vague expression used. Does it nullify or could it nullify the very restrictions which are imposed by the earlier portion of the amendment?

Mr. ANDERSON. No; it cannot nullify those restrictions. The Department of Agriculture frequently is asked to let a particular agricultural commodity be tested as to its possibilities for a different type of use than the one to which it is normally put. The commodities listed are listed, I am quite sure, exactly as they appear in the Aiken bill of a year ago. We did not feel that this language should be changed. I think the Department has not made any sales for other than primary uses. But in proposing the language they felt there might come occasions when the sales would not fit into new or byproduct uses, which is the first category, but might be something a little different. I am thinking now that we have been selling cotton for insulation and for the making of paper. We have been trying a number of different things. The Department of Agriculture was convinced that there should be authority to sell for purposes which would not necessarily constitute the primary use of cotton, but might be a secondary use of it. I am sorry to say to the Senator that thus far I cannot give him an example of how it is used in such ways, because I do not know that it has been so used.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. ANDERSON. I yield.

Mr. DONNELL. In the Aiken bill, is the term "primary uses" defined?

Mr. ANDERSON. No; it is not. It is just as it is here.

Mr. HUNT. Mr. President, I wish to offer an amendment.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER (Mr. HOEY in the chair). The Chair calls attention to the fact that an amendment is now pending.

Mr. RUSSELL. May we have the amendment restated? In the confusion, I did not understand it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 17, line 20, it is proposed to strike out section 407 and insert a new section in the nature of a substitute.

Mr. RUSSELL. May I inquire of either the Senator from New Mexico or the Senator from Vermont whether that is the amendment Senators have just discussed, relative to the handling of commodities by the Commodity Credit Corporation?

Mr. ANDERSON. That is correct.

The PRESIDING OFFICER. Is there further discussion of the amendment?

Mr. LUCAS and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LUCAS. Mr. President—

Mr. DONNELL. Mr. President, I defer to the Senator from Illinois. I wanted to ask the Senator from New Mexico another question.

Mr. LUCAS. I suggest the Senator proceed with his question.

Mr. DONNELL. Will the Senator from New Mexico be kind enough to enlighten me on this point? In section 407 of the committee amendment it is provided: "The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section." Then there follows this provision: "It shall not sell any such commodity at less than the current support price," and so forth. In the Senator's amendment I observe that while the opening sentence continues to say the Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section, the amendment abandons the language of the committee amendment by prohibiting the sale of any such commodity, and instead says the Corporation shall not sell any basic agricultural commodity at less than 5 percent above the current support price, and so forth. So, as I read it, the Senator's amendment does not act as a restriction on the Commodity Credit Corporation's selling anything except basic agricultural commodities at less than the specified price, whereas the committee amendment, as I read it, acts as a prohibition against the Commodity Credit Corporation's selling any farm commodity owned or controlled by it, whether basic or otherwise.

Mr. ANDERSON. Yes; I explained on the floor at the time the Senator from South Carolina presented his amendment, or subsequently thereto, that I was not happy about his amendment, because he was trying to control the situation in basic commodities. But, in the case of perishable commodities, his amendment, if I may take a moment to comment on it, provided that in the case of the sale of a commodity, it could not be sold for less than the support price plus all costs and expenses of the Corporation, including interest, storage, insurance, transportation, and so forth. If there were involved the sale of perishables, such as the very perishable crop of tomatoes, and an effort was being made to ship them out of one area and still get some use of the product, by the time the transaction was delayed to include interest, storage, insurance, and transportation costs, the crop would be spoiled. Therefore, in the case of perishables, we tried to make it possible for the Commodity Credit Corporation to act very quickly.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I think I can explain the thing which disturbs the Senator from Missouri. The people of the northern States do not want the Commodity Credit Corporation to break the price on butter, cheese, or meats, or any similar commodity. I am wondering whether it could not be further amended so as to read, "The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity."

Mr. ANDERSON. Yes, that would improve it.

Mr. DONNELL. What are the words the Senator added? I did not get them.

Mr. AIKEN. "Or storable nonbasic commodity." In other words, we would not want the Corporation to maintain the price of corn, and then let them sell oats, rye, and barley for whatever price they saw fit.

Mr. ANDERSON. I tried to explain a moment ago, knowing what the language of the amendment of the Senator from South Carolina was, that we should try to modify it. Again, Mr. President, I modify my amendment to include the clause "or storable nonbasic commodity."

Mr. DONNELL. Would those words come in immediately after the words "agricultural commodity", in line 10, on page 1 of the amendment?

Mr. ANDERSON. That is correct—"or storable nonbasic agricultural commodity."

Mr. DONNELL. I think that improves it.

Mr. ANDERSON. I agree.

Mr. DONNELL. I thank the Senator from Vermont for his suggestion.

Mr. LUCAS. Mr. President, in view of the fact that a number of Senators have come to me and expressed the hope that we may dispose of this bill sometime this afternoon, I hope we may move along with all speed. Some Senators desire to leave the city tonight. They have engagements for tomorrow and the following day. It is the hope that we may be able to finish this bill at least around 4 o'clock this afternoon. A little later on, I shall ask unanimous consent to vote on the bill and all amendments, perhaps about that time.

Mr. WHERRY. Mr. President, will the Senator from New Mexico yield for a question?

Mr. ANDERSON. I yield.

Mr. WHERRY. Now that his amendment has been modified in line 10, should not the modification also be made in line 4, after the words "the basic agricultural commodities"?

Mr. ANDERSON. The Senator from Nebraska is correct. Again I request permission to modify my amendment.

The PRESIDING OFFICER. The clerk will state the modification.

Mr. ANDERSON. It is to insert in line 4, after "basic agricultural commodities," the same language was inserted in line 10, namely, "or storable nonbasic agricultural commodities."

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, to the committee amendment.

The amendment to the amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment, which I ask to have read.

The PRESIDING OFFICER. Does the Senator want the entire amendment read?

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. This is an amendment which the committee had no op-

portunity of studying. It was submitted by various groups from rice-producing sections. In the limited study we have made of it, we see absolutely nothing wrong with it. It seems to be agreed upon by the rice producers in Louisiana, Arkansas, and, I think, every other area. The Department of Agriculture assures me it is a proper amendment. Those representing the rice States assure me it is proper, and if the Senator from Arkansas is agreeable, I am sure I should be agreeable to taking it to conference. By that time we shall have further opportunity to check as to its implications.

Mr. AIKEN. May we know what the amendment is?

Mr. FULBRIGHT. I have a very brief statement for the information of the Senate.

Mr. AIKEN. May we first have the amendment read?

Mr. FULBRIGHT. I ask that the amendment be reported, but not read in full.

The PRESIDING OFFICER. Without objection, the amendment will be printed in full at this point, but not read.

Mr. FULBRIGHT's amendment to the committee amendment is as follows:

At the appropriate place in the bill insert a new section, as follows:

"SEC. —. (a) Sections 353 (b) and 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"(Sec. 353. (a) * * *

"(b) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: *Provided*, That if the State committee recommends such action, and the Secretary determines that such action will facilitate the effective administration of the act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 percent of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made, but who have not produced rice in any one of the past 5 years, on the basis of the applicable apportionment factors set forth herein: *Provided*, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made, but on which rice was not planted during any of the past 5 years on the basis of the applicable apportionment factors set forth herein.

"(c) Notwithstanding any other provision of this act, any acreage planted to rice in excess of the farm acreage allotment shall

not be taken into account in establishing State and farm acreage allotments.

"Sec. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 percent, the Secretary shall not later than December 31 of such calendar year proclaim such fact and during the marketing year beginning in the next succeeding calendar year and continue throughout such marketing year a national marketing quota shall be in effect with respect to the marketing of rice by producers.

"(b) Within 30 days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of the producers who would be subject to the national marketing quota for rice to determine whether such producers are in favor of or opposed to such quota. If more than one-third of the producers voting in the referendum oppose such quota the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quota shall become ineffective.

"Sec. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the farm marketing excess: *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

"Sec. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 percent of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If the downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"(d) Until the penalty on the farm marketing excess is paid, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

"(e) The penalty on the farm-marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored

or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm-marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this act.

"(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm-marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

"(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm-acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm-acreage allotment exceeds the acreage planted to rice.

"(2) If the actual production of the acreage of rice on any farm on which the acreage of rice within the farm-acreage allotment is less than the normal production of the farm-acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop, will equal the normal production of the farm-acreage allotment: *Provided*, That the production under this subsection shall not exceed the amount by which the normal production of the farm-acreage allotment less any reduction made under subsection (g) (1) is in excess of the actual production of the acreage planted to rice on the farm."

"(b) Section 201 of the Agricultural Act of 1948 shall become effective upon the enactment of this act."

Mr. FULBRIGHT. Mr. President, I desire to explain the amendment briefly. A meeting was held in Louisiana a few days ago at which there were present representatives from Louisiana, of course, Arkansas, Texas, and California. There were 8 representatives from California, 10 from Texas. There were also representatives from Mr. Crawley's office. Mr. Crawley is the Assistant Administrator for Production in the Department of Agriculture. The amendment seeks to do three principal things.

First, it provides that farm-acreage allotments may be determined in a State on the basis of farm history of production or on the basis of personal history of rice production of the individual producer, as recommended by the State committee. Existing law provides for the use of personal history only.

There has grown up, because of the requirement, a considerable practice of jobbing about of personal allotments in some of the States referred to, especially where there are many small producers. I am informed that in Texas and California there is no problem, but that in Louisiana and Arkansas there is. That is the reason for the amendment. It is only permissive. They may use it, within

the State, with the permission of the Secretary of Agriculture. They may make the allotment within the State, either on the basis of the acreage of the farm and its history of production, or on the basis of the personal history, as is now required.

The second point is that it provides that no credit shall be given in determining future acreage allotments for any acreage planted in excess of farm-acreage allotment. In this respect it is identical with the cotton provisions.

The third point is that it puts the enforcement of farm-marketing quotas on the farm-marketing-excess basis and permits the farmer to avoid or postpone the payment of the marketing penalty by storage of the excess rice or delivering it to the Secretary for diversion from the normal channels of trade and commerce or similar use. In these respects rice would be identical with wheat and corn. Under present law, it is not clear what the farm-marketing quota is, and in the opinion of the Solicitor of the Department, it would be extremely difficult to enforce rice-marketing quotas under the present law.

The fourth point is that it eliminates the domestic allotment of rice which has no relation to marketing quotas.

I may say, Mr. President, that this amendment was submitted to me only on yesterday afternoon. Mr. Satterfield, who is in charge of the allotment and marketing quota work for rice, in the Grain Division, brought it to me. The Department had representatives at the meeting who requested that I submit it. I myself had no previous notice of it. All I ask is that the committee accept it and take it to conference. I believe no objection to it will develop either on the part of the representatives from the rice-producing States, or on the part of the Department of Agriculture.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas.

Mr. DONNELL. Mr. President, before we get too far away from the amendment which was adopted a little while ago to section 407, I desire to say that I am not entitled at all to credit in connection with it. The Senator from Vermont [Mr. ARKEN] indicated that I had thought of butter or other commodities of that type. I had not thought of the illustrations. I did observe the fact that the one sentence contained a provision with regard to the sale of any farm commodity, whereas the later sentence was more restricted. I do not want to take credit to which I am not entitled.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. CHAPMAN. Mr. President, on behalf of myself, the Senator from Kentucky [Mr. WITHERS], and the Senator from Missouri [Mr. KEM], I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 23, after line 4, it is proposed to insert the following:

Section 409 of title IV of the bill is amended by adding a new subsection (F) as follows:

"(F) Notwithstanding any other provision of law, any reduction made in farm marketing quotas or acreage allotments for any kind of tobacco because of a reduction from the last established national marketing quota or State acreage allotments shall be applied to all farms, except that any farm acreage allotment for burley tobacco established pursuant to Public Law 276, Seventy-eighth Congress, as amended by Public Law 302, Seventy-ninth Congress, shall not be reduced for any year by more than one-tenth of an acre below the allotment last established for the farm and no reduction shall be made in any burley allotment of five-tenths of an acre or less. This provision shall become effective for the 1950 crop."

Mr. CHAPMAN. Mr. President, this amendment was offered several days ago when the bill was first taken up for consideration. After it was recommitted it became necessary to offer the amendment again. I regret the necessity which causes me to be somewhat repetitious in explaining the necessity for this amendment which I have offered on behalf of myself, the Senator from Kentucky [Mr. WITHERS], and the Senator from Missouri [Mr. KEM].

This amendment affects only burley tobacco. No other type of tobacco and no other products are covered by this amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield to the distinguished minority leader.

Mr. WHERRY. I should like to get the picture correctly. By special statute we have already established provisions relative to burley tobacco, have we not?

Mr. CHAPMAN. Burley tobacco is included in the general farm program.

Mr. WHERRY. Yes; but I mean so far as 90 percent of parity is concerned, it has been taken care of, has it not?

Mr. CHAPMAN. Not by special statute, but by general law.

Mr. WHERRY. Is there not a special statute which has something to do with burley tobacco.

Mr. CHAPMAN. There are a great many, perhaps.

Mr. WHERRY. Is this new language?

Mr. CHAPMAN. It does not relate to parity at all.

Mr. WHERRY. To what does it relate?

Mr. CHAPMAN. That is what I am about to attempt to explain.

The burley-tobacco program has been outstandingly successful during its operation, and we have proudly claimed that it is probably the most successful farm program in the history of this or any other nation, but it is now in serious danger of collapse. If it does collapse, it cannot be successfully disputed that the other great tobacco programs which have risen with it and worked along with it would go down to dissolution following the destruction of this program.

There is a serious overproduction. At present the surplus of burley tobacco is 130,000,000 redried pounds, which is the equivalent of 145,000,000 green pounds.

During the war, when the President of the United States, the Department of Agriculture, and Judge Marvin Jones, who was then Food Administrator, were calling on farmers throughout the land to work around the clock to produce as much as possible of all kinds of farm commodities, we enacted a law, in order to help increase production, in which there was exempted 1 acre of burley tobacco. There is no exemption with respect to any other type of tobacco. There is no exemption as to dark fire-cured, dark air-cured, or flue-cured tobaccos. The last named, when blended with the burley leaf, produces the popular brands of American cigarettes. Burley is the only kind of tobacco of which any acreage at all is exempted.

The then chairman of the House Committee on Agriculture, Hon. John W. Flannagan, who represented the only burley-producing district in the Commonwealth of Virginia, introduced a bill, which the House passed unanimously, to exempt quotas of not more than 1 acre from reduction in times when reduction might be ordered by the Department of Agriculture. In his absence I appeared before the Senate Committee on Agriculture and asked for its adoption as an aid to all-out production. It was reported and enacted. It served very well then, increasing the total production approximately 3 percent; but the result has been that in 1946, after the war, the burley producers recognized the fact that they needed a reduction, and we passed a law reducing it across the board 10 percent. That included the producer with an exemption of 1 acre, and reduced the exemption to nine-tenths of an acre.

In 1947, in the exercise of its good judgment, the Department of Agriculture, under the statutory formula, reduced burley acreage 20 percent. It amounted to an over-all reduction of only 16 percent, because of the exempted growers. In 1948 there was a smaller reduction.

In 1947, at the time the 20-percent reduction in acreage became necessary, the distinguished Secretary of Agriculture, now the Senator from New Mexico [Mr. ANDERSON], the author of this bill, sent a message to the President pro tempore of this body, the eminent Senator from Michigan [Mr. VANDENBERG], asking Congress to repeal the exemptions on burley tobacco at that time. His arguments were sound. Later in the year when the Congress did not respond by acting upon such a bill, Mr. N. E. Dodd, as Acting Secretary on behalf of Secretary ANDERSON sent another message asking that all exemptions be repealed. No action was taken. The situation now is that we are faced with another 20-percent reduction this year, and it will mean an over-all reduction of only 13 percent because of the still larger number of growers in the exempted class.

The amendment which I have proposed, on behalf of the Senator from Kentucky [Mr. WITHERS], the Senator from Missouri [Mr. KEM], and myself, does not go so far and propose so drastic a change as did the amendment recommended to the Congress by the then Secretary of Agriculture, our distinguished

colleague from New Mexico. This amendment does not repeal exemptions. It provides, however, that in any future cuts in burley acreage, beginning with the 1950 crop, those who now belong to the exempted class shall be cut not more than one-tenth of an acre in any one year, and that in no event shall any grower now in the exempted class be cut to less than one-half acre, making one-half acre the absolute minimum allotment under the burley program.

There has been a great change in methods of cultivation of burley tobacco during the past few years. The distinguished Senator from New Mexico, when I was discussing this amendment in this Chamber Monday, in asking me a question, brought out the point that the man with a half-acre allotment now is producing practically as much tobacco as he would have produced with an acre allotment only a few years ago. The average yield per acre of burley tobacco during the period from 1934 to 1933, was 819 pounds. In 1948, because of improved methods of cultivation, disease-free plants, close planting, and heavy fertilization, the average yield increased to 1,396 pounds per acre, and the Department of Agriculture this year forecasts a production of 1,308 pounds per acre, the decrease from 1948 being due to weather conditions, not to any intentional reduction in yield per acre.

The increase in production has resulted in the present great surplus, so that in the situation existing today, before the 20-percent cut, which is anticipated this year, 55 percent of all the growers are exempt. The officials of the tobacco division of the Department of Agriculture, contemplating the crop produced this year, say that an over-all cut of 20 percent this year would result in 65 percent of the growers being exempted, and leave 35 percent to carry all of the load, while the 65 percent would ride the backs of the 35 percent in their efforts to maintain the prosperity which has been achieved under the very successful and beneficial burley-tobacco program. Mr. President, that is too small a foundation, as I said here Monday, on which to base such a colossal superstructure as this entire burley program is.

Another cut will be necessary because of the increase of yields. There are instances of farms which produced 800 pounds to the acre 10 or 15 years ago now having actually reached the huge total of 2,000 pounds per acre in yield. That means that we will still have the surplus. Only last night I talked with Department officials who have administered this program ably for the past 15 years. They told me they understood that as a result of the crop next year there will have to be another cut, and that it will reduce the number who bear the burden and carry the load of the whole program to 25 percent or less of the growers.

Mr. President, there is something in human nature that impels a man, when he feels he is the victim of injustice, to pull down the pillars of the temple even though the collapse encompasses his own destruction. Those who have lived with

this subject throughout the life of this program, and who have lived with burley tobacco throughout the years, those who know it best, and the men yonder in the Department of Agriculture who have administered the program successfully for the benefit of hundreds of thousands of farm homes, are apprehensive that if such an amendment as the one we have offered is not adopted, within the next 2 or 3 years the entire program will collapse, and with its collapse there would come a return to the conditions when penury and poverty, want and woe, desperation and despair, cast a dark shadow over hundreds of thousands of farm homes, and conditions under which scores of thousands of tobacco growers would be returned to the state of economic bondage from which they were rescued by this great tobacco program.

Many people endorse this amendment, including not only all of the officials of the Department who know this program from having administered it, but the directors of the great Burley Tobacco Growers Cooperative Association, which acts as the representative of the Commodity Credit Corporation in administering the price-support program, to which the able Senator from Nebraska referred, and maintaining the floor under the program, which has brought stability to tobacco prices and prosperity to tobacco-producing sections of the country.

Mr. McKELLAR. Mr. President, will the Senator from Kentucky yield?

Mr. CHAPMAN. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is it not true that there has been no evidence taken on this amendment before either committee?

Mr. CHAPMAN. It is true, I will say to my distinguished friend, the eminent senior Senator from Tennessee, that the Committee on Agriculture and Forestry during the hearing did not take any evidence on the amendment, but the officials of the Department of Agriculture, who are administering the program, who work with the program every day, are of one mind that this amendment is absolutely necessary in order to save the program. Furthermore, I will say to the Senator, a vast majority of the representatives of the growers, those who have successfully operated the program throughout the years of its existence, are of the same opinion.

The State of Kentucky produces 70 percent of all the burley tobacco produced in the United States, and in the world. The Burley Association, consisting—

Mr. McKELLAR. Will not the Senator yield, before he proceeds?

Mr. CHAPMAN. Certainly.

Mr. McKELLAR. Is it not true that at the instance of the Senator himself a great many people from Kentucky and some from other parts of the country appeared before the committee when it was considering the 1948 Agricultural Act, what is known as the Aiken bill, which established nine-tenths of an acre as the maximum allotment, and that they all testified that they were satisfied with the law; that it was working well, and that they had been exceedingly prosperous? Is not the fight now one on the part of the big tobacco growers against

the small growers, the men who make a money crop out of nine-tenths of an acre, and that the Senator wants to reduce the nine-tenths of an acre to half an acre? Think of it, Senators, this amendment would reduce the land a tobacco farmer could use to one-half an acre, from nine-tenths of an acre. Why? Because if this amendment were agreed to it would put the burden of loss on the small farmers, as well as the big ones. That is the foundation of the amendment.

Mr. CHAPMAN. Mr. President, I shall be glad to endeavor to answer the questions asked by my eminent friend from Tennessee.

Mr. McKELLAR. I hope the Senator will.

Mr. CHAPMAN. First, he referred to the hearing which was held before the Senate Committee on Agriculture and Forestry in the Eightieth Congress.

Mr. McKELLAR. I have the report of it before me.

Mr. CHAPMAN. I was there. It was a hearing on the Aiken bill, in 1948. At that time I was present, and, in fact, I was instrumental, as I think the distinguished Senator who was the author of the bill knows, in helping to bring before the committee a very large delegation, representing every type of tobacco under quotas, every State that had tobacco under quotas, and every farm organization in those States, not only tobacco growers, but from States in which the Farm Bureau and the Grange operate, representatives of those great organizations appeared. In their testimony, taken throughout one morning session, their views were presented. Then they were summarized by a brief statement of five points, which I had been delegated by that combined group to present to and request action upon by the Senate Committee on Agriculture. Four of those points were granted, but none of them, I will say to my eminent friend, the Senator from Tennessee, had any reference whatever to the acreage allotment provision. The only request of that group of tobacco growers, representative of all the growers in the United States under the quota system, which was not adopted, was the proposition of a fixed base period for computation of parity. The other points were accepted, and not one of them is repealed by the pending bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CHAPMAN. I have not concluded my answer to the Senator's question, but I yield.

Mr. McKELLAR. On the occasion to which the Senator from Kentucky refers Mr. Shaw was a witness, and he testified, did he not?

Mr. CHAPMAN. Yes.

Mr. McKELLAR. He said:

We have no objection to the broad provisions of Senator ARKEN's bill in a long-range program, but we simply ask that we people in tobacco be allowed to operate under the present law.

Mr. CHAPMAN. Yes.

Mr. McKELLAR. And Mr. Blalock, whom the Senator introduced to the committee, testified as follows:

As tobacco growers, we are satisfied with the program as it now is; of course, with a

few wrinkles ironed out, as we are sure you gentlemen can iron out.

Then again Mr. Proctor, who was introduced to the subcommittee by the Senator from Kentucky at that time, just a year ago, testified as follows:

Mr. Chairman and gentlemen of the committee, I am one of the producers of burley tobacco in Kentucky that Congressman CHAPMAN told you produced 70 percent of the burley tobacco produced in the world. I have had a brief statement from the Secretary—

And so forth. He said he was satisfied with the program. Every other witness said he was satisfied with the program. Not one witness complained of it.

Let me read from the statement of Mr. R. W. Benson, as it appears on page 431 of the hearings:

They sent me to Washington to tell you gentlemen that we would like to keep the present program going.

Now, at the last minute, Mr. President, without a hearing, without a witness being heard, the Senator from Kentucky wants to reduce the acreage of the small tobacco grower the farmer in the mountains who produces this form of tobacco, which is his one money crop, and which brings him in \$500 to \$600 on nine-tenths of an acre. He is not allowed, under the present law, to plant more than nine-tenths of an acre. Yet my distinguished and splendid friend, whom I love very readily, wants to reduce the acreage of the poor tobacco farmer to one-half acre. Is it fair, is it just, is it right to do so, without evidence? The only evidence we have in the record shows absolutely to the contrary, that the producers were satisfied with the program. Yet now, at the last minute, attempt is made to place the proposed restriction on the small farmer as well as on the large fellow.

Mr. CHAPMAN. Mr. President, I am very thankful to my distinguished friend, the Senator from Tennessee, for his observations, which I shall now endeavor to answer. He referred to a very distinguished agricultural leader, Mr. R. Tloke Shaw, of North Carolina. Mr. Shaw himself called me over the telephone yesterday. He told me that he hopes this amendment will be adopted. He said that he fears that if the collapse of the burley tobacco program comes about all of the great flue-cured program, in which I say that he is one of the ablest leaders, will follow in the impending dissolution. Mr. Shaw is also a national official of the American Farm Bureau Federation, and one of its ablest leaders. Now as to the other men who appeared before the Senate Committee on Agriculture in 1948, the issue of this allotment reduction was not involved in the Aiken bill at all. We endorsed—and I may say so to the Senate, I had a good deal to do with bringing that group here—we endorsed those five points, and all of them were adopted by the Senate except one, and those four points are still in the law, and would not be repealed by the language of the pending bill.

The Burley Tobacco Growers Association, composed of more than 230,663 members in Kentucky, Missouri, Indi-

ana, Ohio, and West Virginia, have wholeheartedly and unreservedly endorsed the amendment, and now urge its adoption. The executive committee, composed of John W. Jones, North Middletown, the president; John M. Berry, New Castle, the vice president; and W. L. Stator, Lexington, the secretary-treasurer, have talked with me today.

Mr. GRAHAM. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield to the distinguished junior Senator from North Carolina.

Mr. GRAHAM. Were the burley tobacco growers from the mountain areas of North Carolina and Tennessee brought in?

Mr. CHAPMAN. They have separate associations. I named the States included in the Burley Association, Kentucky, Missouri, Indiana, Ohio, West Virginia, and I have a telegram from the burley tobacco director for the State of Ohio, Mr. E. C. Schatzman, Russellville, Ohio, and one from Mr. George W. Elliott, the burley tobacco director for the State of Indiana, Corydon, Ind., urging the adoption of the amendment. I shall place those telegrams in the RECORD. The Kentucky Farm Bureau Federation, of which Mr. Proctor, to whom the Senator referred, is one of the legislative representatives, has sent me a telegram signed by the executive secretary, Mr. J. E. Stanford, which I also shall place in the RECORD at this place. Mr. Proctor himself, to whom the distinguished Senator from Tennessee referred, is a very able and devoted farm leader, and heartily endorses this amendment for the benefit of burley farmers.

RUSSELLVILLE, OHIO, October 4, 1949.

Hon. VIRGIL CHAPMAN,

Senator from Kentucky:

We heartily endorse the Chapman amendment to the Anderson farm bill to revise the present minimum tobacco acreage provision.

E. C. SCHATZMAN,

Ohio Director of Burley Tobacco Growers.

CORYDON, IND., October 6, 1949.

Senator CHAPMAN,

Washington, D. C.:

We are glad to support your tobacco amendment to Anderson agriculture bill.

GEORGE W. ELLIOTT,

Indiana Director of Burley Tobacco Growers Cooperative Marketing Association.

LOUISVILLE, KY., October 3, 1949.

Senator VIRGIL CHAPMAN,

Senate Office Building,

Washington, D. C.:

We strongly favor your amendment to Anderson bill, S. 2522, making provision for partial reduction of allotments of nine-tenths acre and below.

J. E. STANFORD,

Executive Secretary, Kentucky Farm Bureau.

It was not the Aiken bill which included the nine-tenths of an acre exemption. The Aiken bill did not touch that subject. As I explained in the beginning, before the Senator from Tennessee came into the Chamber, after the then chairman of the Committee on Agriculture in the House of Representatives, Mr. Flannagan, of Virginia, whose district in southwestern Virginia produces practically all the burley tobacco produced in

that State, and which district has probably as large a percentage of exempted growers as has any district in the United States; after Mr. Flannagan, as chairman of the committee, piloted that bill through the House of Representatives, he had to go to Virginia, and asked me to represent him before the Senate committee, which I did, and the Senate committee reported the 1-acre-exemption bill. Mr. Flannagan sent me a telegram yesterday. I will say that no man has ever done more as a leader in the enactment of the tobacco growers' legislation beneficial to the small grower of the country than has John Flannagan, of Virginia. He retired voluntarily at the end of the Eightieth Congress. This is what Mr. Flannagan, the author of the 1-acre-exemption measure, said in a telegram addressed to me:

BRISTOL, VA., October 4, 1949.

Senator VIRGIL M. CHAPMAN:

In view of the changes that have taken place since the small tobacco growers amendment was passed, I believe that it is necessary in order to preserve the tobacco program, to pass your amendment providing that in the event of an acreage reduction the small grower shall also be cut to the extent of not more than one-tenth of an acre per year. And that in no event can his acreage be reduced below five-tenths of an acre.

As I view the situation at present, such an amendment is necessary to preserve the program. While I regret that changed conditions have forced me to this conclusion, we should not lose sight of the fact that the program, which means life or death to the tobacco grower, must be preserved.

JOHN W. FLANNAGAN, JR.

No man had more to do with the building of that tobacco program and its successful operation than did Representative Flannagan, of Virginia. I could call no more competent and authoritative witness in advocacy of this vitally important amendment.

None of the officials of the Department of Agriculture, and none of the leaders who have lived with the tobacco problem for the past generation would stand any higher as a witness on this subject than my eminent friend from Virginia, John W. Flannagan, who was the Representative in Congress who led in the enactment of so much beneficial tobacco and other agricultural legislation, and who was always the outstanding spokesman for those to whom the senior Senator from Tennessee refers as "small growers."

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. KEFAUVER. As the Senator well knows, when this matter first came up some information was passed around. I think some official in the Department of Agriculture thought that certain burley tobacco growers in Tennessee had had a meeting, and that they favored this amendment. At that time, on the basis of the information furnished me by a Department official, to the effect that Tennessee tobacco growers were in favor of it, I told the Senator that I would join in sponsorship of the amendment, or in supporting the amendment.

Later I learned, as the distinguished Senator knows, that in Tennessee the tobacco growers are not in favor of this

amendment. My mind goes back to a meeting 2 or 3 years ago at Nashville, where the burley tobacco growers, large and small, held a meeting and strongly supported the one-acre minimum. That is their position now. As stated in Mr. Flannagan's telegram, this is a very vital matter to the tobacco industry. The small nine-tenths of an acre allotment is of tremendous importance to the small tobacco farmers, of whom we have 57,000 in Tennessee. I believe figures show that out of 80,000 allotments in Tennessee, 57,000 are of one acre or less. This question involves their very existence.

The main point is that in connection with this bill they have not had an opportunity to be heard. The bill has not dealt directly with them. It is rather collateral to the matter of the tobacco allotment problem. The small growers are not going to be satisfied with any change in the allotment unless they have an opportunity for a hearing. It is a matter of great importance to them. The tobacco amendment has not been considered by the committee.

Does not the distinguished Senator believe that in fairness to the small growers, and in view of the division which apparently exists among those interested in burley tobacco, it would be only fair for them to have an opportunity to present their side of the case before any decision is made?

I may say to the distinguished Senator that I have been informed by Mr. Duncan, who is in the city today, and who is head of the Tobacco Marketing Association in Tennessee, that there is to be a meeting in Tennessee, and later, I believe, a general meeting, to consider the whole tobacco program. Would it not be better to let the opinion of the burley tobacco producers crystalize at that meeting, after discussing the matter back and forth, and let them have an opportunity to come before the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House, particularly in connection with this question, rather than bring it up in an amendment to the pending bill? I know that a great deal of distress, commotion, and hard feelings will be generated among the small growers if this question is handled in this fashion.

Mr. CHAPMAN. In regard to the Senator's suggestion, I believe that nearly all of those who are thoroughly conversant with this subject, who have lived with it, and who know its history, and are hopeful and prayerful that this program may continue to serve and benefit the tobacco growers, large and small, are firmly of the belief that if action is postponed too long the end of the tobacco program is imminent.

The Senator knows that I have been closely associated with this movement. During wartime, when all-out production was called for, I presented to the Senate committee this exemption amendment. It became a law. However, I believe that within a very few years there will be no tobacco program—burley, flue-cured, dark air-cured, or fire-cured—if this amendment is not adopted. It has been a live subject. It has been discussed ever since former

Secretary of Agriculture ANDERSON sent his message here asking for repeal of all of these exemptions.

As to the small growers, the Senator referred to the fact that there are 57,000 exempt growers in Tennessee. We have in Kentucky 57,476 growers exempt in 1949, but they have vision enough to recognize their danger, and I believe they want to save the program and save themselves from return to bankruptcy and economic ruin.

Mr. McKELLAR. Mr. President—

Mr. CHAPMAN. Let me finish my answer.

In addition to what I said, the average burley tobacco acreage in the United States is 1.6 acres, but the average family acreage is 1 acre. More burley tobacco is raised by tenant farmers who raise 1 or 2 acres on a 50-50 basis, than is raised by all the other producers. In my State alone there are more than 100,000 tenant farmers who have small acreages. Let me give an example. A widow on one side of the fence has an allotment of 1.8 acres. That is divided half and half between her and her tenant. They are not exempted. On the other side of the fence there is a man who owns his own land. In many instances such growers are not historically and traditionally tobacco growers. This man has an allotment of nine-tenths of an acre, and he is exempted. By the methods of cultivation which were referred to in the colloquy between the distinguished author of the bill and me on Monday, this man is now producing nearly twice the yield which he produced only a few years ago. He is absolutely in the position of a man who milks his neighbor's cow through a fence. The widow and the tenant must suffer a reduction ever time. The other man is exempt.

Yesterday a man told me, "I have four tenants. I know that one of them must go, because there is to be another 20 percent cut." Another man said to me, "I have an old darkey working for me. His father worked for my grandfather. He has worked for my father and me. I shall have to find something else for him to do. He cannot raise his tobacco crop, because I am to be cut 20 percent. There are more small growers in Kentucky, which produces 70 percent of all the burley tobacco, than there are in any other State. When you add the 57,476 exempt growers and the more than a hundred thousand tenants with small crops, your number of small producers far exceed those in any other State.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. McKELLAR. Was a single small grower invited to appear before a committee of either House to testify as to this amendment before it was submitted?

Mr. CHAPMAN. I do not think there was a hearing on this specific amendment.

Mr. McKELLAR. Can the Senator name a single one?

Mr. CHAPMAN. In the hearing to which the Senator referred, before the Senate Committee on Agriculture and

Forestry during the Eightieth Congress, they were ably represented by men who had their interests at heart, and who have served them faithfully for many years. So far as my State is concerned, the tobacco growers are well informed. I have full confidence that they want to save the program, and that they think that this amendment is necessary to save it.

Mr. McKELLAR. That does not answer the question at all. I ask the Senator if a single one of the small farmers, producing on nine-tenths of an acre, has been invited to appear before a committee of either House to testify with respect to this amendment.

Mr. CHAPMAN. I cannot answer the Senator's question, but I have telegrams from tenants and other small growers, who urge this amendment as the only solution of the problem.

Mr. McKELLAR. Will the Senator place them in the RECORD?

Mr. CHAPMAN. I shall be glad to place them in the RECORD. Here are two samples:

SHELBYVILLE, KY., October 4, 1949.

HON. VIRGIL M. CHAPMAN,
Member United States Senate,
Washington, D. C.:

There should be no distinction between large and small tobacco growers in acreage allotments because all benefit equally. There should be no exemption from the application of the quota law.

Any legislation preventing or reducing such discrimination is highly desirable and I therefore, appreciate and approve the Chapman-Withers amendments.

OWEN C. FLOOD,
Tenant Farmer, Port Royal, Ky.

SHELBYVILLE, KY., October 4, 1949.

Senator VIRGIL CHAPMAN,
United States Senate, Washington, D. C.:
Please push your amendment to the Anderson bill. A tenant.

THOS. R. WILSON.

I could include many more.

Mr. McKELLAR. My information from Tennessee is that they were astonished beyond measure that this amendment was submitted by the Senator from Kentucky without their knowledge and despite the fact that all tobacco growers were satisfied with the present law, as they had testified before the committee of which the Senator from Vermont [Mr. AIKEN] was chairman. I am wondering what the 87,000 small growers of Kentucky are going to say.

Mr. CHAPMAN. I have stated that there are 57,000 exempted growers, and more than that number of tenants, who also belong in the class of small growers. A great many of the exempted acreages are operated by persons who are not traditionally tobacco growers. They are merchants, lawyers, school teachers, and people in various walks of life. Because of the high price of tobacco they have planted their back yards and vegetable gardens in tobacco. Their acreage cannot be reduced. On the other side of the fence are growers such as the widow to whom I referred, with an allotment of 1.8 acres which she divides 50-50 with her tenant. The widow and tenant must suffer the reduction. The non-traditional tobacco grower is exempt.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. McKELLAR. I have been in every county in my State where tobacco is produced, and I have never seen tobacco grown in gardens, or anything of the kind.

Mr. CHAPMAN. A great deal of it is grown in gardens.

Mr. McKELLAR. This proposal is brought before the Senate by those who are interested in producing large quantities of tobacco. They want to avoid the expected losses to which the Senator has referred. I doubt if the losses ever occur. The tobacco business is in fine shape. I want it to remain in fine shape.

My State is intensely interested in this subject. There are 57,000 small families in the hills of Tennessee who are producing tobacco. It is their one money crop. The Senator's amendment would in 5 years take away practically one-half of it, or a little more than 40 percent.

Mr. CHAPMAN. Mr. President, if the amendment which I have offered on behalf of myself, the Senator from Kentucky [Mr. WITHERS] and the Senator from Missouri [Mr. KEM], is not adopted soon, there will not be any program in 5 years.

Mr. McKELLAR. That is only a guess.

Mr. CHAPMAN. So is the Senator's statement a guess. In my opinion, also, the ones who would suffer most by the dissolution of this great program would be the every exempt growers to whom I have referred, 57,476 of whom I represent; and the Senator from Tennessee says he represents approximately the same number of exempt. Moreover, the more than 100,000 tenants whom I also represent would suffer, because the big farmers do not have to raise tobacco. They can raise livestock, grain, hay, and various other crops; in fact, the congressional district which I represented for more than 20 years, and which has more tobacco tenant farmers in it than has any other congressional district in the United States, would probably have been better off, in the long run, through all the years, if it had never seen a leaf of burley tobacco. But the small farmer who depends upon this crop is the one for whom I am speaking. If this program collapses, that man will lose a fair price for his tobacco, which is his hope for comfort and prosperity, and is what he relies on to give him money with which to buy food, clothing, and shoes for his children, so they can go to school and grow into strong sturdy, young Americans.

Mr. McKELLAR. I say to the Senator that the 57,000 in my State, who are small growers producing tobacco on less than five-tenths of an acre of land, do not feel that this amendment is in their interest.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. FERGUSON. I should like to put a hypothetical question to the Senator from Kentucky, in connection with his amendment: Suppose a farmer has 100 acres of land planted in burley tobacco,

under an allotment this year. Would the amendment require a reduction of only one-tenth of an acre below that allotment, or to 99.9 acres?

Mr. CHAPMAN. In reply to the Senator from Michigan let me say that, to begin with, very few burley tobacco growers, if any, have a 100-acre allotment. The average allotment throughout the entire United States is 1.6 acres, and the average family allotment is 1 acre. If another 20 percent cut is made this year, the result will be to cut by 20 percent the allotment of the grower to whom the Senator from Michigan refers.

Mr. FERGUSON. In reading the language of the Senator's amendment, I wonder whether the amendment allows a cut of only one-tenth of an acre.

Mr. CHAPMAN. No; it would allow a 20 percent cut in the case the Senator has mentioned. But according to the Department of Agriculture, it would produce only a 13 percent over-all cut, because of the large number of exempted growers, whose allotments would not be cut. This amendment would make the cut, in the case of the exempted growers, only one-tenth of an acre a year. The amendment does not apply to anyone who has an allotment of over nine-tenths of an acre.

Mr. FERGUSON. This amendment is not intended to cover any grower having an allotment of an acre or less?

Mr. CHAPMAN. An allotment of nine-tenths of an acre or less could not be reduced more than one-tenth of an acre in any 1 year, and could never be reduced to less than one-half acre.

Mr. FERGUSON. Does the amendment say that?

Mr. CHAPMAN. It does.

Mr. FERGUSON. Let me read it to the Senator, so that we may see whether that is true.

Mr. CHAPMAN. Yes; that is true.

Mr. FERGUSON. The amendment reads as follows:

Notwithstanding any other provision of law, any reduction made in farm marketing quotas or acreage allotments for any kind of tobacco because of a reduction from the last established national marketing quota or State acreage allotments shall be applied to all farms, except that any farm acreage allotment for burley tobacco established pursuant to Public Law 276, Seventy-eighth Congress, as amended by Public Law 302, Seventy-ninth Congress—

Mr. CHAPMAN. That is the nine-tenths provision.

Mr. FERGUSON. I continue to read the amendment—

shall not be reduced for any year by more than one-tenth of an acre below the allotment last established for the farm—

Mr. CHAPMAN. The statutes there referred to are the ones relating to the nine-tenths of an acre exemption.

Mr. FERGUSON. So those statutes provide that they apply only to allotments of nine-tenths of an acre or less. Is that correct?

Mr. CHAPMAN. That is correct. I stated that before the Senator from Michigan entered the Chamber.

Mr. FERGUSON. The remainder of the amendment reads as follows: and no reduction shall be made in any burley allotment of five-tenths of an acre or less.

This provision shall become effective for the 1950 crop.

Mr. CHAPMAN. That is correct.

Mr. FERGUSON. In other words, in cases of allotments of five-tenths of an acre or less, no reduction at all will be made. Is that correct?

Mr. CHAPMAN. Yes. A grower who has an allotment of five-tenths of an acre now, will produce nearly as much tobacco on that amount of land as he produced a few years ago on a full acre of land.

Mr. McKELLAR. Mr. President, that is only a guess.

Mr. CHAPMAN. Oh, no; I have the figures to show it.

Mr. McKELLAR. When it comes to crop production, all figures are the same.

Mr. CHAPMAN. In the period from 1934 to 1938, the average yield per acre—

Mr. DONNELL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. We are absolutely unable to distinguish what is going on in the Senate Chamber. The noise is such as to make it impossible for us to know what is proceeding. I most earnestly request that Senators be admonished to make it possible for us at least to know what is going on.

The PRESIDING OFFICER. The Senate will please be in order. Senators, other than the Senator who has the floor, will please be seated.

Mr. CHAPMAN. Mr. President, I should like to say a word or two in further response to the senior Senator from Tennessee. He says we do not know about production. We do know this, that to go no further back than the period 1934-38, the average burley yield per acre was 619 pounds. We know that in the year 1948 the average production was 1,396 pounds per acre. The Department of Agriculture has estimated officially that for the year 1949, when the crop is weighed, it will be 1,308 pounds per acre. That is because of the development and use of disease-resisting plants. It is because of the use of fertilizer, and because of the close planting of tobacco. It is merely a part of what we have learned in this country about how to increase production. The anticipated diminution in 1949 is due to a less-productive type of growing weather than we had in 1948.

Mr. GRAHAM. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield to the distinguished junior Senator from North Carolina.

Mr. GRAHAM. In view of the fact that there is confusion in regard to the facts in the case—

Mr. CHAPMAN. I do not think there is confusion. I do not agree with the Senator about that.

Mr. GRAHAM. At least the small growers feel they have not had a hearing. I ask the Senator, what is the objection to having a hearing on his amendment the first week in January, giving notice now of a hearing to be held at that time?

Mr. CHAPMAN. I may say to the Senator that I am fearful for the whole

program if this amendment is not made a part of the pending bill. I voice the sentiment and belief of not only a large majority of the best thinkers on the subject of burley tobacco, the men who know it best, but of all the tobacco officials of the Department of Agriculture, who are administering the program.

Mr. McKELLAR. Mr. President, I inquire why is it they have not been before the Houses of Congress?

Mr. CHAPMAN. They have been on many phases of the tobacco program.

Mr. McKELLAR. Why have they not appeared before the committees?

Mr. CHAPMAN. They have, but this subject has not been an issue until now.

Mr. McKELLAR. Why have they not testified to the facts? Why is an amendment of this kind proposed at the last moment, without any hearings having been held at all, without conferring at all with the Senate, and without conferring at all with the House? There is no budget estimate for the amendment.

Mr. CHAPMAN. It involves no cost.

Mr. McKELLAR. Oh, yes; it involves cost.

Mr. CHAPMAN. There is nothing in the amendment affecting the budget. There is no cost attached to it. The tobacco program has never cost the United States Treasury a penny. The price-support program has cost nothing and tobacco products pay large sums into the Treasury in taxes.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CHAPMAN. Will the Senator from Missouri permit me to finish answering the question of the Senator from Tennessee?

Mr. DONNELL. Certainly.

Mr. CHAPMAN. Mr. President, the distinguished author of the bill, when he was serving our country so ably as Secretary of Agriculture, with his accustomed wisdom and foresight asked the Congress in April 1947, the year of the first 20-percent cut, to repeal all exemptions in order to save the program. Later, in December 1947, his Under Secretary, Mr. N. E. Dodd, as the Acting Secretary, sent a similar message, urging such action by the Congress. It has been discussed in tobacco circles ever since.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CHAPMAN. I am confident the life of this great program depends on the adoption of the amendment. I again yield to the able Senator from Tennessee.

Mr. McKELLAR. The Senator from New Mexico, the former splendid head of the Department of Agriculture, did not testify on it. He did not come to testify on it, at all. His committee did not report the amendment. Why was it not reported, if it is so important? The first time anything was heard of it by the committee was when the Senator offered the amendment, which I believe was last week. The first I knew about it was yesterday morning, when I was informed by the Representative from one of the tobacco-growing districts of Tennessee that he had been informed of what was on foot.

Mr. DONNELL and Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. CHAPMAN. If I may, I shall first answer the distinguished Senator from Tennessee. The distinguished former Secretary of Agriculture is present and can speak for himself. But on Tuesday evening he said in the Senate, in so many words, that it is a good amendment, a step in the right direction. Of course, the distinguished Senator from New Mexico is present and can speak for himself, as he has already spoken.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. DONNELL. There are some of us who are not so familiar with the subject matter as is the distinguished Senator from Kentucky, and we are somewhat puzzled about it. As I understand the distinguished senior Senator from Tennessee—I am not certain as to the position of the junior Senator from Tennessee, because I was not fortunate enough to hear him speak on the subject—is apprehensive of the amendment, because he thinks it will injure the small tobacco farmer. Am I correct in that understanding?

Mr. McKELLAR. The Senator is absolutely correct. As I recall, the small farmer, on nine-tenths of an acre, ordinarily makes about \$500 or \$600. It is his money crop. It is the crop from which he gets actual cash, because tobacco is salable. It is sold and he gets a return. It is from the small grower that it is sought to take at least 40 percent of his \$600; \$240 will be taken away from him if the amendment is agreed to. It should not be done.

Mr. DONNELL. May I finish the question?

Mr. CHAPMAN. Yes.

Mr. DONNELL. I appreciate the statement of the Senator from Tennessee. I understood that was his apprehension. At least I inferred from a statement he had informally made to me on the Senate floor that he was apprehensive for that reason. But now, as I read the amendment, I am puzzled as to the theory of it, and as to what it is designed to accomplish. As I read the amendment, it sounds to me as though it were designed to act as a restriction on the amount of reductions that can be made. In the case of a small farmer, the way it reads, at any rate, it sounds to me as though the intent were to say that his allotment cannot be cut down more than a certain amount.

Mr. CHAPMAN. That is correct.

Mr. DONNELL. I would, therefore, draw the prima facie conclusion that the purpose of the amendment, whether it is effected or not, is the protection of the small grower, by restricting the amount of his production that he could be compelled to give up.

Mr. CHAPMAN. The distinguished Senator from Missouri is correct.

Mr. DONNELL. On the other hand, I am quite apprehensive whether I have understood it correctly, by reason of the sincerity, experience, and knowledge of my distinguished friend from Tennessee,

who takes the view, as I understand, that instead of being designed to help the small farmer and to restrict the amount by which his crop or his acreage may be reduced, it is a design by which there may be injury to him, by increasing or at least stating in the statute, the percentage that can be taken away from him.

If I may inquire, I should like to know which one of those theories of the amendment is correct, so that I may know something about whether it is designed to help or is designed to hurt the small farmer; and, in the second place, whether its effect would be to help him or to hurt him.

Mr. CHAPMAN. Mr. President, I have undertaken, probably before the Senator entered the Chamber, to show that, in my opinion and in the opinion of the officials who administer the program, both representatives of the growers and the Department of Agriculture, there is serious danger of the entire program collapsing if it continues as it now is. For example, if the 20-percent cut contemplated is made this year it will be, as I said a while ago, only an over-all cut of 13 percent, because 55 percent of the tobacco growers are already in the exempted class. A 20-percent cut this year would leave 65 percent in the exempted class. Another cut, which is in prospect for the following year because of the increased yield per acre of which we have spoken today, would reduce the group supporting this program, carrying all the load, to 25 percent or less of all the tobacco growers. That is unjust, I submit.

Mr. DONNELL. Mr. President, I am a little confused, because I do not understand what the Senator means by the term "to cut." Is he talking about a cut in acreage?

Mr. CHAPMAN. It has to be; yes.

Mr. DONNELL. What is it?

Mr. CHAPMAN. It is where the Department of Agriculture, in compliance with the statutory formula, is required to reduce acreage. It was cut in 1947, by 20 percent, and it is contemplated this year to cut it by 20 percent.

Mr. DONNELL. Then, is that the purpose of the Senator's amendment?

Mr. CHAPMAN. No, that is already the law.

Mr. DONNELL. I understand.

Mr. CHAPMAN. The purpose of the amendment is to provide that the grower who is now exempt because he does not have an allotment of more than nine-tenths of an acre, may be cut no more than one-tenth of an acre a year, while the other growers can be cut 20 percent.

Mr. DONNELL. If the Senator's amendment does not go into effect, how much of a cut will result to the grower whom the amendment provides can be cut only one-tenth of an acre?

Mr. CHAPMAN. He cannot be cut at all, now. The result is that a minority of producers are carrying the entire burden of the program. It does not apply to any other type of tobacco or any other crop, and it is obviously unjust. The injustice may result in a dissolution of the entire program.

So far as the Senator's State is concerned, there is a much smaller proportion of exempted acreage in Missouri than in any other State in the Union. The total allotment in Missouri in 1949 amounts to 5,673 acres. The farmers in Missouri, in that section of the State in which burley tobacco is produced, raise some of the finest tobacco in the United States. There is a splendid market at Weston, Mo., and trucks bring a large amount to Lexington, Ky., for sale at that great marketing center. The total acreage exempted was 566 acres. So the State of Missouri has a larger proportion of nonexempt acreage than has any other State in the Union.

Mr. DONNELL. I have here a telegraphic message from W. B. Hull saying:

May I urge you to support the Chapman amendment which provides for the present tobacco acreage provisions.

I also have a telegraphic message from H. E. Slusher, saying:

Hope you can support tobacco allotment amendment limiting reductions on nine-tenths-acre allotments, with a minimum allotment of one-half acre. Senator KEM agreeable to amendment.

Mr. Slusher is president of the Missouri Farm Bureau Federation.

Mr. CHAPMAN. I appreciate that observation by the Senator. I knew that the Missouri Farm Bureau Federation and also the burley tobacco organization in Missouri are strongly in favor of the amendment.

Mr. DONNELL. I am not yet entirely clear on the amendment, but I shall subside for the moment.

Mr. GRAHAM. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. GRAHAM. How will the bill, as a basis for a meeting of minds, destroy the program in view of the fact that Congress will meet in the first week in January?

Mr. CHAPMAN. In the meantime there will be another cut, and every time there is a cut the base on which the program rests is reduced. A burley referendum is to be held this fall. Men who have been interested in the program and who have contributed most to its success have told me within the past 24 hours that all that would be required to cause a possible dissolution of the program at the end of this year would be for some powerful and plausible leaders to rise and campaign effectively against the continuance of the program. I am saying that there is injustice in the program as it is now operating, with a majority of all growers milking their neighbor's cows through the fence. As I said in the beginning. That is the kind of thing which will bring a collapse of the program. It is human nature, and human nature does not change.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. McKELLAR. If there is such danger imminent, why have not the persons who said they were perfectly satisfied with the law offered testimony before the committee. In 1948 they said

they were perfectly satisfied with the law. If they have changed their minds, why did they not be fair with the Congress and come before the committee and testify to that fact? Why is this amendment offered at the last moment, when the Congress is about to adjourn, without the slightest evidence being offered to the Congress in connection with it? There is not a tobacco man in Tennessee who has said to me that it would be ruinous to the 57,000 little tobacco growers.

Mr. CHAPMAN. Mr. President, when the hearing was held before the Senate Committee on Agriculture and Forestry in 1948, when the Aiken bill was the subject of discussion, this question was not in issue and not a man who testified expressed approval of it. The Senator from Tennessee is a venerable political warrior, a battle-scarred and victorious gladiator through more than a generation of political battles. He was born in a party camp, grew to manhood, and has spent his life on a succession of political battlefields. He knows that issues do not become acute a year before an election. He knows that, as a referendum approaches, those men whose hearts are in the tobacco program, who have labored and striven to make it a success, as they hear from Washington that they are threatened with another cut of 20 percent, realize that something must be done. Their information has only recently come from officials of the tobacco section of the Department of Agriculture that a further 20-percent cut is probably imminent. Issues do not become intense, people do not get warmly interested in a campaign, until the last weeks of the campaign. We are now face to face with the effort of carrying this referendum again. We want to carry it more than 100 to 1, as did the growers of flue-cured leaf in North Carolina. We have built this program together, we have risen together, and we want to stand together. If the burley program goes down, as many distinguished farm leaders have said to me on the telephone and in person within the past 2 days, the other programs will go down with it. That will mean the wreck of not only the burley, but also the flue-cured, the fire-cured, and dark air-cured program.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CHAPMAN. I yield.

Mr. ANDERSON. If there is any way in which we can terminate this discussion and come to an issue, I should appreciate it. We have spent nearly an hour on this amendment.

Mr. CHAPMAN. I have been ready for a long time. I yield the floor.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Chapman	Ecton
Anderson	Chavez	Ferguson
Bricker	Connally	Fulbright
Bridges	Cordon	George
Butler	Donnell	Graham
Byrd	Douglas	Green
Cain	Downey	Gurney
Capehart	Eastland	Hayden

Hendrickson	Long	O'Mahoney
Hickenlooper	Lucas	Pepper
Hill	McCarthy	Robertson
Hoey	McClellan	Russell
Holland	McFarland	Saltonstall
Humphrey	McKellar	Schoeppel
Hunt	McMahon	Smith, Maine
Ives	Magnuson	Stennis
Johnson, Colo.	Malone	Taylor
Johnson, Tex.	Martin	Thomas, Okla.
Johnston, S. C.	Maybank	Thomas, Utah
Kefauver	Miller	Thye
Kem	Millikin	Watkins
Kerr	Morse	Wherry
Kilgore	Mundt	Wiley
Knowland	Murray	Williams
Langer	Myers	Young
Leahy	Neely	
Lodge	O'Connor	

The PRESIDING OFFICER. A quorum is present.

Mr. MCKELLAR. Mr. President, I shall take only a few moments in making a statement about the Chapman amendment.

I am indeed sorry I cannot agree with the Senator from Kentucky in his amendment. The amendment is as follows:

Section 409 of title IV of the bill is amended by adding a new subsection (F) as follows:

"(F) Notwithstanding any other provision of law, any reduction made in farm marketing quotas or acreage allotments for any kind of tobacco because of a reduction from the last established national marketing quota or State acreage allotments shall be applied to all farms, except that any farm acreage allotment for burley tobacco established pursuant to Public Law 276, Seventy-eighth Congress, as amended by Public Law 302, Seventy-ninth Congress, shall not be reduced for any year by more than one-tenth of an acre below the allotment last established for the farm and no reduction shall be made in any burley allotment of five-tenths of an acre or less. This provision shall become effective for the 1950 crop."

Mr. President, according to the latest information we have from the Department of Agriculture, Tennessee has 80,789 farmers with burley tobacco acreage allotments. The total allotment for Tennessee is only 89,994.

Under the present law 57,580 farmers have nine-tenths of an acre or less planted in tobacco. These small tobacco farmers are now protected by law, and they ought to be protected by law. Think of a farmer being told by law that he cannot plant in tobacco more than nine-tenths of an acre. Surely that is a restriction which ought not to be added to. We ought not to make it harder on such a farmer. So far as I can find out, the farmers with large acreage in burley tobacco and the farmers with small acreage in burley tobacco in my State and in Kentucky—and the fight is between the large tobacco growers and the small tobacco growers—were satisfied with this law and prospered remarkably under it. The large tobacco growers have grown rich under it. The small farmers, the nine-tenths of an acre tobacco growers, have raised enough for Christmas money, and that is about all the cash money they have to spend.

The purpose of the amendment is to allow the department to cut down the quota. I digress to say that this is not a quota bill. I do not know whether the amendment is subject to a point of order or not. The bill is a price bill. And here we have an amendment offered to a price

bill, without any hearing having been had on it, without any evidence having been introduced with respect to it, without any discussion of it except in the last few days, without any hearings at all being had on it. Yet it is sought by the amendment to put the burden of future cuts on the nine-tenths-of-an-acre farmer. I do not believe any Senator in this body feels that to be right. A farmer may own 50 or 100 acres, yet under the present law he is allowed to plant only nine-tenths of an acre in tobacco. Surely all that should be done by law in that regard has been done in order to hold up prices.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MCKELLAR. I yield.

Mr. FERGUSON. As I understand the Senator, there are many thousands of small farmers with nine-tenths of an acre or less in tobacco.

Mr. MCKELLAR. Yes.

Mr. FERGUSON. Has the Senator any idea what the cost to those farmers really would be if the quota system were placed upon them and they were required to cut their production one-tenth of an acre?

Mr. MCKELLAR. The cost to them would be considerable. No one knows what the cost would be. My distinguished friend, the Senator from Kentucky, presented the matter in such a smiling way that seemingly nobody could object to his proposal, but, as a matter of fact, he said the question of money did not cut any figure. If we adopt the amendment the Senator from Michigan knows, since he is a member of the Appropriations Committee, that we will have a request from the Department for a large appropriation to regulate the nine-tenths of an acre tobacco farmers. A larger appropriation will be required in order to regulate production.

Mr. CHAPMAN. Mr. President, will the Senator yield?

Mr. MCKELLAR. I yield.

Mr. CHAPMAN. I am assured by the Department officials who administer this program that the adoption of the amendment would not result in a penny of cost.

Mr. MCKELLAR. I do not know about that. They have not testified on the subject. Surely they ought to be allowed to testify about it. I will say to the Senator that I shall seek to summon, or have the committee summon these gentlemen before the committee in order to get their views on the subject. There have been no hearings held on that matter. Is that fair? When the last hearing on the tobacco subject was held witnesses testified they were satisfied with the law as it then was. The Senator from Kentucky made a statement to the committee then. There was no suggestion made that the poor farmers producing less than nine-tenths of an acre should be cut in their acreage.

Mr. President, I hate to take any further time on this subject. I cannot imagine how any Senator would vote to prohibit a farmer from planting nine-tenths of an acre of tobacco. I cannot imagine that any Senator would vote for a reduction in that amount of acreage. That would be simply monstrous.

the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f) "Total supply" of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g) "Carry-over" of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this act.

(h) "Normal supply" of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary, and shall exclude any abnormal consumption or exports resulting from export or diversion operations of the Department of Agriculture or any of its agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such Department or agencies.

(i) "Marketing year" for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this act.

SEC. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining "adjusted base price"), is amended by adding at the end thereof the following: "As used in this subparagraph, the term 'prices' shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942."

(b) Section 301 (a) (1) (C) of such act, as so amended (defining "parity index," is amended (1) by inserting after the word "buy" a comma and the following: "wages paid hired farm labor," and (2) by inserting after "such prices" a comma and the word "wages."

(c) Section 301 (b) (10) (A) of such act, as so amended (defining "normal supply"), is amended (1) by striking out "7 percent in the case of corn" and inserting in lieu thereof "15 percent in the case of corn," and (2) by inserting before the period at the end of the last sentence thereof a comma and the following: "and shall exclude any abnormal consumption or exports resulting from ex-

port or diversion operations of the Department of Agriculture or any of its agencies (other than operations pursuant to an international agreement ratified by the Senate) which result in losses to such Department or agencies."

(d) Section 322 (a) of such act, as so amended (relating to corn-marketing quotas), is amended (1) by striking out "20 percent" and inserting in lieu thereof "10 percent," and (2) by adding at the end thereof the following: "With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as 'such calendar year' for the purposes of (1) and (2) of the preceding sentence."

(e) Section 323 of such act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply."

SEC. 410. Section 4 of the act of March 8, 1938, as amended (15 U. S. C., 1946 ed., 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: "Provided, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 ed., sec. 841)."

SEC. 411. Section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

SEC. 412. The President shall appoint, by and with the advice and consent of the Senate, one additional Assistant Secretary of Agriculture. It shall be the duty of such Assistant Secretary, subject to the supervision and direction of the Secretary, to plan and carry out, through the appropriate agencies of the Department of Agriculture and in cooperation with private business, programs for developing new uses and market outlets, encouraging domestic sales and improved merchandising through regular trade channels, encouraging exports and international trade and exchanges, expanding consumption and use, and diverting and otherwise disposing of agricultural commodities and products. Such Assistant Secretary shall, ex officio, be one of the directors of the Commodity Credit Corporation provided for by law. Such Assistant Secretary shall be compensated at the same rate as the other Assistant Secretary of the Department of Agriculture, and shall perform such additional functions as the Secretary may assign.

SEC. 413. Determinations made by the Secretary under this act shall be final and conclusive: *Provided*, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

SEC. 414. This act shall not be effective with respect to price-support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this act.

SEC. 415. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this act are hereby repealed.

SEC. 416. (a) Except to the extent superseded by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 204, 206, 207, and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this act, such action shall be taken within 30 days after the enactment of this act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

SEC. 417. In order to prevent waste of food commodities acquired through price-support operations which are found to be in imminent danger of loss through deterioration or spoilage, the Secretary of Agriculture and the Commodity Credit Corporation are directed to make such commodities available at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, to school-lunch programs when approved by the Secretary, and to the Bureau of Indian Affairs and to Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons.

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader if there is any fixed order in which amendments are to be considered in connection with the farm bill.

The VICE PRESIDENT. The Chair will state that there is one committee amendment to the House bill, in the nature of a complete substitute. It is subject to amendment as if it were the original text. No amendment to the substitute is pending at the present time.

Mr. WHERRY. That is the reason I asked the majority leader if it was his intention to proceed with amendments to the substitute, and if so, which amendment might be brought up first.

Mr. LUCAS. I have no way of knowing which one will be brought up first.

The VICE PRESIDENT. Whichever Senator first addresses the Chair and obtains recognition will, of course, be entitled to offer an amendment.

Mr. ANDERSON. Mr. President, there are two things which I think we may dispose of quickly. They are not involved in controversy. I have sent to the desk one amendment, which corrects the amendment offered by the Senator from South Carolina [Mr. MAYBANK] to section 407. It is printed as an amendment to Senate bill 2522. I might explain to Members of the Senate that it leaves the first part of the amendment to that section and the last part exactly as they were, but substitutes different language for certain language in the amendment of the Senator from South Carolina.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MAYBANK. The Senator from New Mexico was to have considered in conference the question of the nonapplicability of the amendment to perishable goods.

Mr. ANDERSON. Yes.

Mr. MAYBANK. In addition the distinguished Senator from New Mexico has bettered the amendment by adding an additional 5 percent. It meets with my approval.

Mr. ANDERSON. I hope we may be able to dispose of this amendment quickly. The Senator from Arkansas [Mr. FULBRIGHT] has an amendment with reference to rice, after which I know the Senator from Kentucky [Mr. CHAPMAN] intends to offer his amendment.

I now offer the amendment which I send to the desk and ask to have stated. It is printed as an amendment to Senate bill 2522, but it would strike out the same section in the House bill as it would in the Senate bill.

The VICE PRESIDENT. The amendment offered by the Senator from New Mexico will be stated.

The LEGISLATIVE CLERK. On page 17, after line 19, it is proposed to strike out section 407 and insert:

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity at less than 5 percent above the current support price for such commodity, plus all accrued charges, including interest on such commodity from the first day of the marketing year in which such sale is made. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool and mohair; and (H) sales for other than primary uses.

Mr. MAYBANK. Mr. President, as author of the original amendment, I may say that that part of the amendment dealing with my original amendment to section 407, with reference to the charges on the Commodity Credit Corporation, is quite agreeable to me.

Mr. LUCAS. Mr. President, I have no objection to the amendment.

Mr. AIKEN. Mr. President, I am not rising to oppose the amendment, because the Senator from New Mexico has worked so hard on the bill that I do not feel like putting any obstacles in the way of its passage in as good a form as possible, and as soon as can be done.

I wish, however, to point out for the RECORD what I consider two weaknesses of this amendment. In the first part of the amendment there is the following language:

The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carry-

ing normal inventories of the commodity of the current crop.

I am afraid that particular sentence might give the Commodity Credit Corporation the prerogative of determining what a fair price should be, rather than engaging in normal trade practices.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MAYBANK. Does not the Commodity Credit Corporation have that power under the present law?

Mr. AIKEN. I think it exerts that influence to a very strong degree. As I say, I am not rising to oppose the amendment. I am simply pointing out possible weaknesses in the amendment.

Mr. MAYBANK. I thank the distinguished Senator from Vermont. It was my intention to have the surplus commodities go into private trade.

Mr. AIKEN. The other provision of this amendment which might prove to be troublesome later is found in the next sentence:

The Corporation shall not sell any basic agricultural commodity at less than 5 percent above the current support price for such commodity, plus all accrued charges, including interest on such commodity from the first day of the marketing year in which such sale is made.

I understand that provision will prevent the Commodity Credit Corporation from breaking the price of cotton at the present time, and probably from now until the beginning of the next crop year. To that extent it would prove to be beneficial. However, I can conceive that if the Commodity Credit Corporation should acquire a sufficient quantity of surplus cotton for it to be carried over for a 4- or 5-year period, and if the Commodity Credit Corporation at the end of 4 or 5 years had an opportunity to sell some of that cotton, but had to include all charges, storage, interest, handling, and so forth, the CCC might be required under the law to hold the price so high that it simply could not dispose of the commodity at all.

Mr. MAYBANK. I thank the Senator from Vermont. I want it distinctly understood that so far as the Senator from South Carolina is concerned, he was not in favor of section 407 at all as it was drawn. I know that I am correct when I say that under the original draft of the bill the Commodity Credit Corporation could absorb the surplus at a price up to 90 percent of parity, which was even worse. This amendment might benefit it by 5 percent.

Mr. AIKEN. I am glad to have the explanation of the Senator from South Carolina. Personally, I think that if the Commodity Credit Corporation were restricted from disposing of a commodity below one of two levels, whichever might be the lower, that would be sufficient. Those two levels would be, first, the cost to the Corporation, including the carrying charges; and second, a point half way between parity and the support level.

Mr. MAYBANK. But that was not in section 407 as it was offered to the Senate.

Mr. AIKEN. That is correct.

Mr. MAYBANK. I agree exactly with what the Senator says. In my judgment the 5 percent is a benefit only for the basic crops. In my judgment it is not as good as an upper level or a lower level. I must confess that I dislike the entire section, but I thought this amendment might benefit the growers of the major crops. I will say to the Senator from Vermont that the Senator from New Mexico has bettered what we have before us by at least 5 percent. Before, the figure was 90 percent.

Mr. AIKEN. I should like to point out at this time what may develop to be two weaknesses in this particular amendment. Undoubtedly it will work very well from now until the beginning of the next cotton-picking season.

Mr. MAYBANK. The Senator will admit, will he not, that if it will work from now until the next cotton-picking season, it is certainly better than the original bill?

Mr. AIKEN. I think the Senator is correct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FERGUSON. In order that the RECORD may be clear, let me inquire whether the amendment will apply to all sales of basic commodities by the Commodity Credit Corporation and whether it will apply to sales to foreign nations and foreign commissions, as well as to sales domestically?

Mr. AIKEN. Sales for export are excluded from the restrictions.

Mr. FERGUSON. They are excluded?

Mr. AIKEN. Yes. There are eight types of sales which are excepted from these restrictions.

Mr. FERGUSON. Will the Senator explain what sales are included by the amendment?

Mr. AIKEN. Sales to the domestic trade, I would say, are included by the amendment.

Mr. FERGUSON. Are they the only ones that really are covered by it?

Mr. AIKEN. The purpose of the amendment and of the restrictions is to assure that the Commodity Credit Corporation shall not use a technicality of the law to adversely affect the market price in the event the Corporation decides for itself that the market price is too high.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. FERGUSON. Has the Commodity Credit Corporation ever been known to break the market price?

Mr. AIKEN. I am not sufficient of an expert about that matter to be able to say. The Commodity Credit Corporation has been known to greatly expand the market price.

Mr. FERGUSON. Yes; but I wonder whether it has ever been known to break the price.

Mr. AIKEN. Perhaps the Senator from New Mexico will answer that question.

I do not think the Commodity Credit Corporation has deliberately broken the price of a commodity. I think it has erred in some of its manipulations, so as

The Senator from Kentucky says there are small tobacco growers in Kentucky, and that is true. They are not in favor of this proposal, however. The small tobacco growers in Tennessee and Kentucky are all opposed to it, and naturally so. The law prohibits the farmers in the district of Tennessee where burley tobacco is raised from raising more than nine-tenths of an acre of tobacco. The Senator from Kentucky is undertaking to have the Senate write into the bill, which is a price bill, a quota provision. He wants the Senate to take such action without any evidence on the subject, without any witnesses having testified about the matter. The Senator from Kentucky did not even appear before the committee and testify on this particular matter. There were no hearings on this particular subject. I have had that matter looked up, and it was found no hearings were held.

Mr. President, it is proposed to put the burden which it is feared may be placed on the big farmer, also on the small producer. The big farmers have been tremendously prosperous under the present law. The small farmers have been only very moderately prosperous. They cannot be more than moderately prosperous because they cannot raise more than about 500 pounds on nine-tenths of an acre. That is really about as much as they can raise. Yet it is proposed to cut that almost in two. The Senator, by his amendment, wants to reduce it to half an acre. It is unthinkable that this body would do anything of the sort. I simply cannot believe it will do so.

Mr. President, occasionally I lobby with other Senators for matters in which I am interested. I have not lobbied about this matter because it is simply unthinkable to me that any Senator would want to take away from the small farmer the right to plant tobacco on nine-tenths of an acre of his land.

Mr. President, if the amendment is adopted it will mean that nearly 60,000 small Tennessee tobacco growers will be deprived of one-half, or nearly one-half of their present very small acreage. To these small farmers it is their principal money crop. It gives them their Christmas money. If they receive \$100 under

the present law, the cut represented by the amendment would reduce it to \$60. If they receive \$500, the amount could be reduced nearly one-half.

My friend the Senator from Kentucky says the whole program will be in danger unless this reduction is made on the small tobacco grower. He says unless the reduction is made the whole plan will be in jeopardy. Is it not remarkable, if the whole tobacco program, which has been a success up to now, and which witnesses have testified has been a success, should be in jeopardy, that witnesses have not come before the committee and testified to that effect? Would they not come before the committees and testify about it? Of course they would.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ROBERTSON. I merely wish to say, in connection with the last statement, that the burley growers of Virginia do not think they will be in any jeopardy if the Chapman amendment is not adopted. They say that if that amendment is adopted all small growers will be in jeopardy. They feel that it would be very unfair to the small growers.

Mr. McKELLAR. I thank the Senator for his comment. I think he is entirely correct.

Mr. President, the Congress has heretofore established the rule that the allotment shall be not less than nine-tenths of an acre, a small amount indeed. My friend the Senator from Kentucky [Mr. CHAPMAN] says that the whole plan will be endangered unless this reduction is made on the small tobacco grower. I think he is entirely mistaken. He is becoming scared too quickly. I thought he would not be afraid. The large tobacco growers have enjoyed the greatest prosperity. Why does he want to change the law at the last moment, without any hearings? The law has worked well. I hope the Senate will not agree to the amendment. The law has been in effect for several years, and the large tobacco growers have been very prosperous.

This is a fight between the large growers and the many small growers of tobacco. I hope Senators will not aline themselves with the large growers.

The tobacco growers of my State are overwhelmingly against this reduction. I hope the Senate will not force them to take a cut. With all the earnestness with which I am capable, I urge Senators not to cast their votes against the small tobacco growers in Kentucky, Tennessee, and other States where burley tobacco is raised.

My friend the Senator from Kentucky says that all growers ought to be treated alike. That sounds very fine, but we cannot treat them all alike. If we treated them all alike it would not be necessary to have any law. If every man could take what he pleased, we would be without jobs. That is not right. This is not the time to make a change in the law. The change ought to be postponed until there is opportunity for hearing.

Mr. President, I ask Senators not to vote for this amendment, but to defeat it, and let us have a hearing on the subject in January. If there is any danger it can be brought out then.

Mr. President, I ask to have inserted in the RECORD, as a part of my remarks, certain figures, together with a statement with reference to the amendment offered by the Senator from Kentucky [Mr. CHAPMAN] and other Senators.

There being no objection, the matters were ordered printed in the RECORD, as follows:

New burley tobacco allotment data

State	1948		1949	
	Number of farms	Acreage	Number of farms	Acreage
Alabama.....	2	3	3	4.3
Arkansas.....	3	2	6	4.2
Georgia.....	12	14	22	19.1
Illinois.....	1	1	1	.5
Indiana.....	87	42	119	55.1
Kansas.....	6	17	5	12.1
Kentucky.....	1,680	1,091	2,370	1,172.4
Missouri.....	46	38	28	23.2
North Carolina.....	290	94	540	151.6
Ohio.....	213	103	193	73.0
Oklahoma.....	1	1	1	1.0
Pennsylvania.....	3	1	1	.5
South Carolina.....	1,351	640	1,711	658.1
Tennessee.....	153	48	233	93.5
Virginia.....	54	26	44	18.4
West Virginia.....				
Total.....	3,907	2,126	5,277	2,290.0

1947 burley allotment data—Jan. 14, 1948

State	All burley farms		Burley farms over 1 acre		1 acre, number of burley farms having exactly 1 acre allotment	Burley farms 0.9 acre or less		Burley farms 0.5 acre or less	
	Number of farms having burley allotments	Total acreage allotted to all burley farms	Burley farms having burley allotments over 1 acre	Total acreage allotted to all burley farms having over 1 acre allotment		Number of burley farms having allotments of 0.9 acre or less	Total acreage allotted to burley farms having allotment of 0.9 acre or less	Number of burley farms having allotment of 0.5 acre or less	Total acreage allotted to all burley farms having allotments of 0.5 acre or less
Alabama.....	59	107	22	74	11	26	22	2	1
Arkansas.....	91	105	31	64	6	54	35	13	6
Georgia.....	122	102	4	11	10	108	81	23	8
Illinois.....	45	41	8	11	3	34	27	10	8
Indiana.....	9,365	12,110	3,812	7,944	268	5,285	3,898	1,262	411
Kansas.....	111	367	90	348	5	14	0	0	0
Kentucky.....	138,959	311,956	77,039	262,492	8,494	53,426	40,970	10,537	4,251
Missouri.....	2,189	5,944	1,398	5,375	61	727	505	225	81
North Carolina.....	14,790	12,834	4,649	4,649	417	11,751	7,768	4,002	1,038
Ohio.....	10,945	15,644	4,885	10,900	230	5,827	4,514	1,071	335
Oklahoma.....	1	5	1	5	0	0	0	0	0
Pennsylvania.....	4	7	1	7	0	0	0	0	0
South Carolina.....	17	15	1	4	1	15	10	5	2
Tennessee.....	80,789	89,994	18,272	41,470	4,937	57,580	43,587	11,959	4,403
Virginia.....	14,748	15,015	3,703	6,768	608	10,439	7,641	2,443	773
West Virginia.....	4,033	4,344	1,228	2,080	151	2,654	2,113	427	168
Total.....	276,208	468,590	113,123	342,202	15,203	147,942	111,185	31,990	11,519

Rounded to nearest acre.

STATEMENT BY SENATOR M'KELLAR

Mr. President, I am indeed sorry that I cannot agree with my friend VIRGIL CHAPMAN on his amendment. The amendment is as follows:

"Notwithstanding any other provision of law any reduction made in farm marketing quotas or acreage allotments for any kind of tobacco because of a reduction from the last established national marketing quota or State acreage allotment shall be applied to all farms except that any farm acreage allotment for burley tobacco established pursuant to Public Law 726, Seventy-eighth Congress as amended by Public Law 302, Seventy-ninth Congress, shall not be reduced for any year by more than one-tenth of an acre below the allotment last established for the farm and no reduction shall be made in any burley allotment of five-tenths of an acre or less. This provision shall become effective for the 1950 crop."

Mr. President, Tennessee, according to the latest information that we have from the Department of Agriculture has 80,789 farmers with burley tobacco acreage allotments. The total allotment for Tennessee is only 89,994. Under the present law there are 57,580 farmers who have nine-tenths of one acre or less planted in tobacco. These small tobacco farmers are now protected by law.

The amendment of Senator CHAPMAN is undertaking to have the Senate write in an amendment to the bill this morning reducing this minimum acreage allotment to five-tenths of an acre instead of nine-tenths of an acre. You can thus see how adversely this will affect Tennessee. It would mean that nearly 60,00 small Tennessee tobacco farmers would be deprived of nearly one-half of this very small acreage. To these small tobacco farmers it is their principal money crop. It gives their Christmas money. Under the present law if they received \$100 out of their tobacco crop, if this amendment is agreed to, it would cut out \$40 from the \$100.

The Congress has heretofore established the rule that their allotment should not be cut below nine-tenths of one acre—a small amount indeed.

My friend, Senator CHAPMAN, says that the whole plan will be in danger unless this reduction is made on the small tobacco grower. I think he is entirely mistaken. This law has been in effect for several years and the large tobacco growers have been very prosperous, and the small tobacco growers, numbering about 4 to 1 in my State to the larger growers, would virtually have nothing in the way of a money crop. The tobacco growers of my State are overwhelmingly against this cut. I hope the Senate will not force them to take this cut. I urge the Senate not to do so. My friend says that we ought to treat all alike. That sounds very reasonable but we ought to take conditions as they are. We ought not to deprive these small tobacco farmers of fruit of their labor which we would do to three-fourths of them if we allowed this cut to apply equally to all.

I want to present the figures together with letters from the Department and which show the facts.

MEMORANDUM TO SENATOR M'KELLAR FROM CONGRESSMAN GORE

Here are some of the facts I just stated to you over the telephone. Tennessee, according to the latest information I have from the Department of Agriculture, has 80,789 farmers with burley tobacco acreage allotments. The total allotment for Tennessee is only 89,994.

Fifty-seven thousand five hundred and eighty farmers have nine-tenths of an acre or less (mostly nine-tenths of an acre which is now protected by law).

Kentucky has 138,959 farmers with burley tobacco acreage allotments. Kentucky's total allotment amounts to 311,959 acres.

I was instrumental in securing enactment of a bill about 6 years ago which prohibited reduction of burley tobacco acreage allotments below a given minimum (the legal minimum is now nine-tenths of an acre).

Senator CHAPMAN is undertaking to have the Agriculture Committee write in an amendment to the bill this morning reducing this minimum acreage allotment to five-tenths of an acre. You can readily see how adversely this will affect Tennessee. It would mean that nearly 600,000 small Tennessee farms in which the little nine-tenths of tobacco crop is their Christmas money and maybe just about their only cash crop would have their acreage allotments reduced. It has been my position, and I hope you will find yourself in agreement, that we should give some protection and premium to the small farm homestead, that the fellows with larger farms and larger tobacco acreage allotments could better stand the reduction in acreage allotments.

After all, the farmers with nine-tenths of an acre or less have less than one-fourth of the total acreage allotments anyway.

Unless something is done right away I fear the Agriculture Committee will approve it today.

UNITED STATES DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Washington, D. C., April 13, 1948.

Hon. ALBERT GORE,
House of Representatives,

DEAR MR. GORE: This is in reply to your letter of April 1, 1949, addressed to Mr. J. E. Thigpen, Director of our Tobacco Branch, concerning minimum burley tobacco acreage allotments.

Because of the continued excessive production of burley tobacco, we have been concerned over a satisfactory solution to the problem of minimum allotments. It has been our position for some time that the minimum allotment provisions should be eliminated if our burley tobacco program is to continue on a sound and reasonably satisfactory basis. For this reason, the Secretary on June 17, 1947, and again on December 8, 1947, requested the enactment of legislation which would eliminate minimum tobacco allotments. The attached letters addressed to the Speaker of the House contained our reasons for these requests. Similar letters were addressed to the President pro tempore of the Senate. Since these requests were transmitted to the Congress, the situation with respect to burley tobacco supply and production has become more acute and intensified the seriousness of this problem. Briefly stated, burley crops have exceeded domestic requirements and exports for 5 of the past 6 years despite rather substantial reductions in acreage allotments, and supplies are now excessive. Continued production in excess of disappearance can only result in the accumulation of additional supplies and jeopardize continued success of the quota and loan programs. For example, the 1948 crop of burley tobacco amounted to about 600,000,000 pounds with demands from 10 to 15 percent less than this quantity. From this crop alone, nearly 100,000,000 pounds of burley tobacco were placed under price support loan. The total quantity of burley tobacco now under loan is approximately 150,000,000 pounds, farm-sales-weight basis.

Unless the 1949 crop of burley tobacco is substantially smaller than the 1948 crop the Secretary will be required to proclaim a marketing quota for 1950 which would result in material additional reduction in Burley acreage allotments. Burley allotments in 1946 were reduced 10 percent and allotments for 1947 were reduced generally about 20 percent below 1946 allotments. Special legislative action permitted the reduction of the

minimum allotments by 10 percent in 1946. When the larger allotments were reduced 20 percent in 1947 no reduction was imposed upon farms having minimum allotments. Of the total of 280,000 farms having burley tobacco allotments in 1949, about 157,000 now have immunity from any further reduction by having allotments of 0.9 acre or less. Thus, it may be observed that whatever additional adjustments in allotments become necessary these adjustments can be made only upon a minority of the farms now growing burley tobacco. With the sharp upward trend in yields per acre growers with minimum allotments are now producing and marketing substantially more burley tobacco than ever before whereas the farms having above minimum allotments are producing and marketing proportionately less burley than prior to the enactment of minimum allotment provisions. Continued reduction on farms having allotments above the minimum with immunity to the majority of the burley tobacco farms (that is, those farms having allotments of nine-tenths acre or less), results in inequities which endanger the burley marketing quota program. It is our firm belief that some solution to this question must be reached within the near future if the loan and quota programs are to be maintained.

The average acreage allotment per farm for all burley tobacco is approximately 1.6 acres. All tobacco production involves use of a great deal of hand labor, and the payment which producers get for their tobacco is primarily for the labor they put into producing it. The labor on farms having allotments above nine-tenths acre, barring differences of efficiency, is about the same per pound of tobacco as the labor on farms having smaller allotments.

In our judgment, the marketing quota and price-support operations are helpful to farmers having burley allotments of nine-tenths acre or less just as they are to farmers having larger allotments. Consequently, if periodic adjustment of allotments upward or downward is necessary, then it seems that growers with allotments of nine-tenths acre or less should be willing to participate in these adjustments. We believe the supply-demand situation for burley tobacco may become such if there is a good crop this year that downward adjustment of allotments may be urgently needed and that it is wise to consider modifying the minimum-allotment provisions so that the program can be carried forward on a sound basis and continue to be helpful to all tobacco growers.

Sincerely yours,

FRANK K. WOOLLEY,
Deputy Administrator.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives.

DEAR MR. SPEAKER: This Department recommends the enactment of legislation to amend the provisions of the Agricultural Adjustment Act of 1938, as amended, relating to minimum farm-acreage allotments and increases in small tobacco-acreage allotments.

Public Law 337, Seventy-sixth Congress, approved August 7, 1939 (63 Stat. 1261), provides, in part, that except for "new" tobacco farms or a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 percent of such allotment, or (2) the percentage by which the normal yield of such allotment is less than 3,200 pounds in the case of flue-cured tobacco, and 2,400 pounds in the case of other kinds of tobacco. This provision had the effect of superseding the minimum-quota provisions of subsection (b) of section 313 of the Agricultural Adjustment Act of 1938. The Department has understood this provision to require its application only

with respect to the farm allotments established for the first marketing year in which quotas are applicable following the enactment of the provision. The provision has been applied in the case of each of the kinds of tobacco for which quotas are now in effect and is, therefore, considered as being no longer applicable.

Public Law 43, Seventy-eighth Congress, approved April 29, 1943 (57 Stat. 69), provides, in part, that the burley tobacco-acreage allotment which would otherwise be established for any farm having a burley acreage allotment in 1942 shall not be less than one-half acre. Public Law 276, Seventy-eighth Congress, approved March 31, 1944 (58 Stat. 136), provides, in part, that the burley tobacco-acreage allotment which would otherwise be established for any farm having a burley tobacco-acreage allotment in 1943 shall not be less than 1 acre or 25 percent of the cropland, whichever is the smaller.

The declared purpose of the Congress in providing for these minimum allotments was to increase the production of burley tobacco on those farms where additional tobacco could be produced without adversely affecting the production of essential food and fiber crops so vitally needed during the war. The Department interposed no objection to these minimum-acreage provisions, but we have always pointed out the danger of establishing minimums at too high a level, since tobacco acreages on most farms are small in relation to other crops and even on those farms producing larger acreages of tobacco, the acreage per family is small.

Public Law 302, Seventy-ninth Congress, approved February 19, 1946, 60 Stat. 21, authorized reduction of the 1946 national marketing quota and the State and farm acreage allotments for burley tobacco but provided that no farm acreage allotment of 1 acre or less could be reduced by more than 10 percent. Therefore, the allotments of nine-tenths acre or less established for small burley tobacco farms cannot be reduced in the future regardless of the extent of reductions in the national marketing quota and the resulting reductions in larger acreage allotments.

These minimum allotment provisions were beneficial to small burley growers during the war years but it is our opinion that the purposes for which the provisions were enacted have been accomplished. The production of burley tobacco has exceeded disappearance during each of the past 3 years, and a burdensome surplus has recently developed. All farm acreage allotments were reduced 10 percent in 1946. Allotments for 1947 were reduced generally about 20 percent below 1946 allotments, except that 1946 allotments of nine-tenths acre or less were not reduced in 1947. In 1947 there are approximately 276,000 farms having burley allotments totaling 477,000 acres. This means that the average acreage allotment per farm is 1.7 acres and when broken down on a family basis means about 1 acre per family. If it is necessary to reduce allotments further in 1948, or in any subsequent year, as now appears likely, there will be a serious inequity if the reduction is not shared by all farms.

The total 1947 total allotment for each kind of tobacco are less than the 1946 allotments, and present indications are that a further reduction will be required in 1948. We do not believe that it was the intention that allotments for one group of farms would be increased, or remain unchanged, each year while the acreage required for making such increases would necessarily come from the acreage which would otherwise be used for establishing allotments for another group of farms, especially when the total acreage expected to be available for establishing allotments is less than in the preceding year.

There is attached a proposed bill which will amend the provisions of the act with respect

to minimum farm acreage allotments and increases in small allotments.

The Bureau of the Budget advises that it has no objection to the submission of this recommendation.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes

Be it enacted, etc., That section 313 of the Agricultural Adjustment Act of 1938, as amended (U. S. C. 1940 ed. and Supp. V, title 7, sec. 1313), is amended: (1) by striking out the third proviso in subsection (a) thereof and inserting a period in lieu of the colon following the word "practices"; (2) by striking out the proviso in subsection (b) thereof and inserting a period in lieu of the colon following the word "tobacco"; and (3) by striking out the second sentence of subsection (g) thereof.

SEC. 2. Public Law 276, Seventy-eighth Congress, approved March 31, 1944 (58 Stat. 136) is amended by striking from the next to the last paragraph the language following the enacting clause and by striking from the last paragraph the word "resolved" and the comma immediately following.

DECEMBER 8, 1947.

HON. JOSEPH W. MARTIN, JR.,

Speaker, House of Representatives.

DEAR MR. SPEAKER: In a letter addressed to you on June 17, 1947, the Department recommended legislation to amend the provisions of the Agricultural Adjustment Act of 1938, as amended, relating to minimum farm acreage allotments and increases in small tobacco acreage allotments. The same recommendation was made to the President pro tempore of the Senate and S. 1530 was introduced by the chairman of the Committee on Agriculture and Forestry, June 30, 1947.

We have today addressed a letter to the President pro tempore of the Senate renewing our recommendation for enactment of the amendments contained in S. 1530 and recommend further that the language of the bill be changed to provide that the amendments become effective with respect to the farm acreage allotments established for the 1948-49 marketing year.

It was stated in our letter of June 17, that "If it is necessary to reduce allotments further in 1948, or in any subsequent year, as now appears likely, there will be a serious inequity if the reduction is not shared by all."

Under the provisions of the act, flue-cured tobacco acreage allotments for 1948 will be about 28 percent less than in 1947, burley 10 percent, fire-cured 35 percent, and dark air-cured 25 percent.

In view of these drastic reductions in the total acreages to be allotted for the several kinds of tobacco, we again recommend that the act be amended as provided in S. 1530 and that the amendments be made applicable to allotments established for the 1948-49 marketing year.

The Bureau of the Budget advises that it has no objection to the submission of this recommendation.

Sincerely yours,

N. E. DODD,
Acting Secretary.

Mr. HOEY. Mr. President, I have listened with a great deal of interest to the very strong presentation of this question by the distinguished Senator from Kentucky [Mr. CHAPMAN]. I think there is a great deal of force in what he has to say, but there is one reason why I think this amendment should not be adopted,

and that is that this is not a bill to regulate acreage.

When we had before us a measure dealing with cotton, we passed a separate bill, and everyone had an opportunity to be heard. The question was determined, and the bill was passed by the Congress. Here is a bill which deals with price supports. No one has had an opportunity to be heard on the subject of this amendment.

In North Carolina there are 15,800 burley tobacco growers. The average acreage is six-tenths of an acre. This proposal, of course, would take away one-tenth, and leave the small grower with only half an acre. I do not believe that the small growers should be so vitally affected without having an opportunity to be heard.

I know that the Senator from Kentucky knows more about the tobacco situation than does any other Member of Congress. He has rendered great service to the tobacco industry; he has been a great friend of the tobacco grower; but I believe that it would be a mistake, in this bill, to adopt the pending amendment and provide for the proposed cut in acreage without giving the small growers an opportunity to be heard.

It is true that some of the farm representatives say that it is a good thing to do. It is true that those in the Department of Agriculture say that it is a good thing. I think the Senator from Kentucky is absolutely correct in saying that we shall have to make a reduction in burley acreage. I think it would be fair to consider whether or not all growers should share in the cut. My position is that I do not believe we should take this step and enforce a reduction on the small growers without giving them the opportunity to be heard. They have not appeared before the committee at all. The subject has never been discussed by the committee. I think it would be manifestly unfair to adopt such an amendment at the close of the session.

I do not see why, when the Congress meets in January, a hearing could not be held upon a bill, giving both sides an opportunity to be heard. Certainly there is to be a referendum before that time, so that would not interfere with the referendum. There are more of the small tobacco growers than of the large growers. Therefore, they would vote for the referendum. They would still be subject to any law which might be enacted in the future to regular acreage.

Therefore, under all the circumstances, I do not believe that we should adopt this amendment. I know the fine motives of the Senator from Kentucky. I know of his intense interest in this subject. I do not believe that the tobacco program is going to be wrecked. I think the situation can be remedied, in fairness and justice to all concerned.

Mr. KEFAUVER. Mr. President, I shall not ask the indulgence of the Senate for more than a few minutes to speak about this problem.

The basic law upon which extended hearings were held, Public Law 302 of the Seventy-ninth Congress, provided that the allotment of the small tobacco grower should not be reduced to less than nine-

tenths of an acre. So far as the hearings before Congress show, that was an agreement reached after extensive hearings in the various burley States. Even since that time the burley tobacco representatives have said that they are satisfied with the program, and that they do not want the program changed. That is true so far as the records of Congress are concerned, although some may tell us that changes should be made.

As was stated by the distinguished senior Senator from North Carolina [Mr. HORY], the success of the tobacco program has been due to the fact that tobacco growers in all the States have been able to reach an agreement. They have been able to iron out their differences in various meetings, so that when they came to Congress they were united in their purpose.

As has been stated, the tobacco program has never cost the Government a cent, but that has been due, I think, to the grassroots approach to the whole problem. In the various States and sections discussions have been held, and the growers have come to Congress with a unified and fully supported program.

My distinguished friend from Kentucky [Mr. CHAPMAN], for whom I have the greatest respect, is an authority on the subject. He believes that if this amendment is not adopted the whole program may collapse.

Let us consider two things. In the first place, no one has come before any committee of Congress to say that he is dissatisfied with the program. Secondly, there are more of the small growers than there are of the large growers. In Tennessee there are 57,000 tobacco growers holding allotments of 0.9 of an acre, out of 80,000 allotments. Unless the small growers are given an opportunity to be heard, there is likelihood that they may vote against any allotments, and that would be a catastrophe to the program. They are entitled to be heard on this question. The great success of this program has resulted because everyone has been considered, and the growers have come to Congress in agreement.

As has been stated by my distinguished colleague from Tennessee [Mr. McKEL-LAR], this is not an allotment bill. I have looked through the hearings, and not one person has testified about tobacco allotments—no small grower, no large grower, no Member of the Senate, or anyone else. Should this action be taken without giving the growers an opportunity to be heard?

As we all know, there is a tendency in the country today toward mechanized farming. It has always been the policy of the Nation to give some little incentive to the small homesteader, who has a few acres, a little house, and usually plenty of children. It has been our policy to give him some kind of a break. But during recent years we have been alarmed by the growth in the acreage of farms, which has resulted from mechanized farming. There has been a tendency away from the small homestead, which is a part of the foundation upon which our great Nation has been built. That is the reason for the nine-tenths of an acre exemption.

Mr. CHAPMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CHAPMAN. I should like to ask the distinguished junior Senator from Tennessee if he thinks there ought to be an acreage exemption in connection with other types of tobacco, and also in connection with wheat, cotton, corn, and other crops.

Mr. KEFAUVER. I will say to the distinguished Senator that that is getting into the broad question of acreage allotment. That is the reason why I say we ought to have a hearing. There is a good reason for allowing the small growers an exemption.

Mr. CHAPMAN. Does the Senator believe that his answer is pertinent to the remarks which prompted the question?

Mr. KEFAUVER. It is pertinent. I say that we should not change the law without giving everyone concerned an opportunity to be heard.

Mr. GRAHAM. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. GRAHAM. Is there not an exemption of 3 acres in the case of cotton?

Mr. KEFAUVER. I believe there is an exemption of 3 acres for cotton; that is correct.

Mr. President, the present program has been agreed to and has been passed upon by Congress. Are we going to change it now, without letting any 1 of the 57,000 small growers in Tennessee have an opportunity to be heard? The great danger to the tobacco program lies in the possibility of having a change made without providing an opportunity for those who are directly affected to be heard, either individually or through their associations or representatives in Congress.

Mr. President, because of the improvements in agricultural methods—the increased use of machinery, sprays, and so forth—the farmer raises more tobacco today on a given acreage of land than he formerly raised. Tobacco is the cash crop of great numbers of small farmers. I think the testimony shows that the average small farmer who raises tobacco gets about \$500 out of nine-tenths of an acre of land planted to tobacco. In the hills of eastern Tennessee, \$500 does not go very far in the case of a man who has a large family.

So I think the change now proposed would be a step in the wrong direction, particularly when we wish to build up the homesteader, the small farmer.

At any rate, Mr. President, whatever merit there may be in the proposal now before the Senate, it will not suffer if action on it is delayed until everyone can have an opportunity to be heard regarding it. The tobacco growers, large and small, have always prided themselves upon being able to reach agreement after full discussion. On the other hand, if legislation on this subject is summarily enacted, without giving them an opportunity to be heard, such legislation is liable to do much damage and is liable to have a very destructive effect on the entire tobacco program.

So I urge the Senate at least to postpone a decision on this matter until all the facts can be submitted.

Mr. GRAHAM. Mr. President, I simply wish to say that I am in favor of postponing the vote on this amendment until all groups of growers have had an opportunity to be heard.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Kentucky [Mr. CHAPMAN]. [Putting the question.]

Mr. CHAPMAN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CHAPMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Humphrey	Millikin
Anderson	Hunt	Morse
Baldwin	Johnson, Colo.	Mundt
Butler	Johnson, Tex.	Murray
Byrd	Johnston, S. C.	Neely
Capehart	Kefauver	O'Connor
Chapman	Kem	O'Mahoney
Connally	Kerr	Pepper
Cordon	Kilgore	Robertson
Donnell	Knowland	Russell
Douglas	Langer	Saltonstall
Downey	Leahy	Schoeppel
Eastland	Lodge	Smith, Maine
Eaton	Long	Stennis
Ferguson	Lucas	Taylor
Fulbright	McCarthy	Thomas, Okla.
Graham	McClellan	Thomas, Utah
Green	McFarland	Thye
Gurney	McKellar	Watkins
Hayden	McMahon	Wherry
Hendrickson	Magnuson	Wiley
Hickenlooper	Malone	Williams
Hill	Martin	Young
Hoe	Maybank	
Holland	Miller	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the senior Senator from Kentucky [Mr. CHAPMAN].

Mr. CHAPMAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], and the Senator from Pennsylvania [Mr. MYERS], are detained on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Alabama [Mr. SPARKMAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Iowa [Mr. GILLETTE] is absent because of illness.

The Senator from Kentucky [Mr. WITHERS] is absent on public business.

I announce further that on this vote the Senator from Kentucky [Mr. WITHERS], who would vote "yea" if present, is paired with the Senator from New Hampshire [Mr. BRIDGES], who would vote "nay" if present.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], the Senator from Kansas [Mr.

REED], and the Senator from Michigan [MR. VANDENBERG], are absent by leave of the Senate.

The Senator from Ohio [MR. BRICKER] is absent on official business with leave of the Senate.

The Senator from Vermont [MR. FLANDERS], and the Senator from New Jersey [MR. SMITH] are absent on official business with leave of the Senate. If present and voting, the Senator from Vermont and the Senator from New Jersey would each vote "nay."

The Senator from Ohio [MR. TAFT], and the Senator from New Hampshire [MR. TOBEY] are necessarily absent. If present and voting, the Senator from New Hampshire would vote "nay."

The Senator from New Hampshire [MR. BRIDGES], who is absent because of illness, is paired with the Senator from Kentucky [MR. WITHERS]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from Kentucky would vote "yea."

The Senator from Washington [MR. CAIN], and the Senator from New York [MR. IVES] are detained on official business. If present and voting, the Senator from Washington would vote "nay."

The Senator from Indiana [MR. JENNERY] is absent on official business.

The result was announced—yeas 22, nays 51, as follows:

YEAS—22

Anderson	Johnson, Colo.	McClellan
Capehart	Johnson, Tex.	McFarland
Chapman	Johnston, S. C.	Mullikin
Connally	Kem	Mundt
Eastland	Kerr	O'Connor
Fulbright	Langer	Russell
Holland	Lucas	
Hunt	McCarthy	

NAYS—51

Alken	Hoey	Neely
Baldwin	Humphrey	O'Mahoney
Butler	Kefauver	Pepper
Byrd	Kilgore	Robertson
Cordon	Knowland	Saltonstall
Donnell	Leahy	Schoeppel
Douglas	Lodge	Smith, Maine
Downey	Long	Stennis
Eaton	McKellar	Taylor
Ferguson	McMahon	Thomas, Okla.
Graham	Magnuson	Thomas, Utah
Green	Malone	Thye
Gurney	Martin	Watkins
Hayden	Maybank	Wherry
Hendrickson	Miller	Wiley
Hickenlooper	Morse	Williams
Hill	Murray	Young

NOT VOTING—23

Brewster	Frear	Smith, N. J.
Bricker	George	Sparkman
Bridges	Gillette	Taft
Cain	Ives	Tobey
Chavez	Jenner	Tydings
Dulles	McCarran	Vandenberg
Ellender	Myers	Withers
Flanders	Reed	

So Mr. CHAPMAN's amendment was rejected.

UNITED STATES POLICY TOWARD RUSSIA

Mr. MALONE. Mr. President, I have found no established military authority willing to say that we can hold any part of Europe at this time if Russia started to move into that area. Yet it would seem from press reports and from the results of the British, Canadian, United States conferences that our State Department is seriously considering storing atom bombs in England.

That would be a grave error until such time as it is certain that Europe can be held against any attack, and, in addition,

until we know just what attitude England and Europe are going to take toward Soviet Russia in preparation to withstand such attack.

It is well known that England and the Marshall plan countries have made nearly 100 trade treaties with Russia and the countries behind the iron curtain since the close of World War II, and that both England and France have with Russia nonaggression pacts on the order of the North Atlantic Pact.

The information that Russia has the atom bomb should have surprised no one. The only surprise is that anyone should have been surprised, since we knew that Russia fell heir to some of the outstanding German scientists, men who were near that discovery before the war ended. If the Russians do not have the atomic bomb now, it is well known that they will have it soon. The lack of industrial facilities with which to manufacture it in sufficient quantities is the real cause of the delay.

But, since England and the Marshall plan or ECA countries are sending Russia and the iron curtain countries all kinds of machinery, including engines and power machinery, through their trade treaties to consolidate the Russian gains behind the curtain and also to consolidate their gains in China and in Asia, much of the needed atom bomb industrial machinery and equipment will be included in such shipments, and will definitely hasten the day when Russia will be able to compete with us in the manufacture of atom bombs.

Now we have the picture of England pressing us to recognize the Communist government of China, indicating that England intends to extend such recognition in the very near future.

It may be pertinent to inquire at this time if our State Department considers the Russia bordering on northern China to be the same Russia bordering on eastern Europe; and, if so, how we can officially recognize a Red China Government dominated by the Russians, and at the same time be getting ready to fight the Russia east of Europe.

It is time that the American people and, above all, the Congress of the United States, caught up with this double-dealing strategy and make up their minds just what the American policy should be, and quit adopting without question, without even a close inspection, all the ready-made European programs as fast as they are thrown at us.

Mr. President, the proposal to store the atom bomb in England or anywhere in Europe, and the apparent absence of serious efforts to control the entire atom-bomb program, could result in a grave danger to the peace of the world. That proposal could take its place alongside the two major mistakes of the century, which were made at Yalta, where the Russians were allowed to take over Manchuria, thus giving them a foothold in China, and were also allowed to occupy Berlin, thus obtaining a foothold in western Europe, while at the same time no provision was made for access to Berlin by the other nations.

Mr. President, in connection with these remarks, I ask unanimous consent to

have printed at this point in the RECORD a clipping from the New York Journal American of October 5.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN ABANDONMENT OF DEMOCRACY

Danger is great that this country may commit one of the gravest blunders in history by stock-piling atom bombs in England under the North Atlantic Treaty and at the same time establishing international control of atomic energy through the United Nations.

The American plan for atomic-energy control would have made Soviet Russia a participant in scientific development and industrial usage of fissionable materials.

But it would also have forbidden future manufacture of atomic weapons and required preventive inspections, in Russia as well as elsewhere.

When the plan was presented, this country alone had the bomb, but Russia was working on its production—and was also stealing some of our secrets.

Russia accordingly rejected the American plan with its inspection feature, demanding instead that all existing bombs be destroyed before any control at all was adopted.

This would have meant, according to Soviet practice, that the United States would disarm itself while Russia secretly continued to arm for atomic warfare.

Under these conditions, this country should have continued to stock pile the bomb in America and to keep the bomb in our sole custody.

The North Atlantic Alliance, of which we later became a member, was entered into, of course, because of the Soviet military menace.

Under the treaty, a joint defense program was devised in which long-range bombing and delivery of the atom bomb became our strategic role.

Consequently, the absolute security of the bomb was made our security more than ever.

Moreover, the completion of the B-36 super plane gave our Air Force the means of delivering atom bombs wherever there might be a target.

Nonetheless, as long ago as in mid-August it was disclosed at Washington that high United States officials were considering a project to make England our atom-bomb base in order to shorten the distance to Russia.

The Atomic Energy Act of 1946 forbids the exportation of fissionable material, which is the explosive core of the bomb.

However, it was said that the President could ship the finished bomb anywhere, and that the foreign stock pile would be guarded by us.

Since then, the State Department has continued to seek atomic energy control in the United Nations.

If the Department should succeed, Russia would obtain our atomic secrets and might have something to say about the use of our own weapons.

This complicated situation has grown more complicated because of the discussions with Great Britain and Canada about sharing atom-bomb techniques and materials, or even sharing the bomb itself.

In view of the facts that, under any prospective agreement, our bombs would be in England, with the British Labor Government sharing our control, we would be putting ourselves in a very precarious condition.

For one thing, we might find that we had succeeded in giving the bomb away at last.

For another thing, we would be placing a very unsafe reliance in Marxism.

The British Labor Government is a Socialist government, ideologically more akin to Moscow than it is to Washington.

We think or pretend to think that the Socialist Government of England will unite

with us on any question involving the rights of free peoples.

But we have seen how little the present Government of England regards our interests in the recent Russian treaties with Great Britain, all of which have been for the advantage of Russia and to the detriment of the United States.

By reason of these Soviet-British relations, therefore, stock-piling the bomb in England is putting the stock pile under the control of the Big Three nations.

And this devious method of transferring control of the greatest physical force in the world is actually putting the destiny of all the peoples of Europe, Asia, and America in the hands of the Socialist Government of England and the Communist Government of Russia, constituting together the majority in the control of atom bombs.

This means the complete abandonment of democracy to the communistic Government of Russia and the socialistic Government of England whenever they choose to substitute despotism for democracy in any section of the world.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a clipping from the San Francisco Examiner of September 24, covering a part of the whole three-phase program, or the three-ring circus, as it is referred to in the editorial—namely, to have an international conference going on at one place, while at another place a discussion is held regarding a proposal to extend the so-called Reciprocal Trade Agreements Act of 1934, so as further to lower our tariffs and import fees and to open the markets of the United States to all the other nations of the world; and at the same time, as the third part of the three-ring circus, as it is referred to in the editorial, a program is being made and concluded, at a conference between Britain and Russia, for the shipment of additional goods to Russia, which thus will enable Russia further to consolidate the gains she has made behind the iron curtain, including her gains in Red China.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THREE RINGS, BUT NOT A CIRCUS

The monetary and economic crisis in Great Britain has taken so many turns that it is somewhat like watching the distracting performances in a three-ring circus to attempt to keep track of them.

But unfortunately, while there is an element of international drama in this situation, it is definitely not entertaining to the American people, although they are most definitely paying for the performance.

The center ring, and undoubtedly the center of attention, has been the Washington conference between British and American statesmen seeking agreement on the new forms of assistance to be extended to Great Britain by the United States in view of the exhaustion of previous grants of assistance.

But there has been a second performance in Washington to which the American people should have paid more attention—the all-out and finally successful effort of the Truman administration to persuade Congress to reinstate the Reciprocal Trade Agreements Act of the earlier New Deal days.

The effect of the reinstatement of the Reciprocal Trade Agreements Act, now approved by both Houses of Congress, will be to drastically reduce or to entirely eliminate the protective tariffs which safeguard American workers and industries against imported foreign goods produced under condi-

tions of peonage and even slave labor, and which thus safeguard and sustain our American standards of living and our system of high wages and quality goods which supports those essential standards.

Since the reduction or removal of American protective tariffs is one of the main things the British negotiators have sought at the Washington conference, it is perfectly evident that the American negotiators were not only willing to concede the point but had actually done so in advance.

But it is the third performance that really fills out the background for this whole show.

At the very same time the British and American negotiators have been meeting in Washington and the Truman administration has launched its reciprocal trade-agreement program in Congress, it has been formally announced in London that the new British-Russian trade agreement is now in force.

Under this agreement, shipments of Russian barley, corn, and oats will soon be arriving in Great Britain, and during the term of the agreement a total of 1,000,000 long tons of Russian grain will be delivered—to the very grave depletion of foreign markets in which American grains may be sold.

In addition to grains, Russia has undertaken to sell timber, potash, chemicals, and canned fish to Great Britain, still further depleting the foreign markets of the United States.

But much more significantly, under the same agreement Russia will in its turn soon be receiving industrial machinery, electrical equipment, ships, steel rails, and transport facilities from Great Britain.

And of course all of these products are available to Russia in Great Britain only because of the assistance we have given in the past, and will only continue to be available if we continue to give assistance.

All of which has persuaded Senator MALONE, of Nevada, that—

"There is something very fishy about this whole deal.

"The British conference was accurately timed to coincide with the scheduled reciprocal trade agreement fight in the Senate.

"While the public is keeping its eye on the British attempt to make a new raid on the Treasury, the internationalist will sneak the reciprocal trade law through.

"As it will give the British our markets and world trade, it is worth more to them than a gift of gold."

And as Senator MILLIKIN, of Colorado, has suggested, our cooperation with Great Britain should at least be kept on a "two-way street basis."

"Let us keep our strength at home," urged Senator MILLIKIN.

"We cannot take on our hands all the infirmities of the world."

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. YOUNG obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. LUCAS. Mr. President, as I understand, the amendment of the Senator from North Dakota is the last important amendment to be voted upon. A number of Senators have called upon me and expressed the hope that we might conclude the consideration of this bill this afternoon. Some of them would like to get away to go to various sections of the country. I am wondering if it would be possible to agree to a unanimous-consent request to vote at 4 o'clock.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. WHERRY. Mr. President, I hope we may be able to get a unanimous-consent agreement to vote on the bill this afternoon. Several Senators have expressed a desire to vote this afternoon. If the bill goes over until Monday some of those Senators cannot be present.

The bill has been pretty well debated, and I think that if we could get a unanimous-consent agreement sometime this afternoon it would be beneficial to all interested in this farm legislation. I hope the Senator from North Dakota, if he contemplates objecting, will withhold his objection or, if he cannot agree to 4 o'clock, can suggest an hour which would be acceptable.

Mr. LANGER. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. LANGER. I should like to know whether or not any Senator is going to propose the Brannan plan.

Mr. LUCAS. I cannot answer the distinguished Senator. So far as the Senator from Illinois is concerned, he is not going to propose it.

The PRESIDING OFFICER. Is objection heard?

Mr. LANGER. Does the distinguished chairman of the Committee on Agriculture and Forestry know whether any Senator is going to offer the Brannan plan?

Mr. THOMAS of Oklahoma. I have been asked a direct question, and I shall have to make a direct reply. In the event the Young-Russell amendment shall be offered and defeated, then I shall offer the Brannan plan.

Mr. LANGER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from North Dakota will proceed.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. WHERRY. Mr. President, will the majority leader yield for another question?

The PRESIDING OFFICER. One moment. Senators will please resume their seats.

Mr. WHERRY. I ask the distinguished Senator from North Dakota if he will yield that I may propound another inquiry.

Mr. YOUNG. I yield.

Mr. WHERRY. I wonder what the majority leader would feel about making a unanimous-consent request for a vote on the so-called Young-Russell amendment at some hour.

Mr. LUCAS. In view of what the Senator from Oklahoma said, it is apparent that we cannot finish the bill this afternoon. I am wondering if we could make an agreement to vote on Monday at, say, 2 o'clock.

Mr. WHERRY. Mr. President, if that is the intention of the majority leader, I hope he will withhold the request until after we have had a vote on the so-called Young-Russell amendment.

Mr. LUCAS. Can we not vote at 3:30 on the amendment, I ask the Senator from North Dakota?

Mr. YOUNG. I think so.

Mr. RUSSELL. Mr. President, I do not think I shall object, but I think we can vote at 3:30 o'clock, or 3 o'clock, without any agreement, unless some Senator expects to speak at length, and I know nothing about any such intention. Inasmuch as we cannot get an agreement to vote on the bill, I think we might as well proceed.

The PRESIDING OFFICER. Does the Senator object?

Mr. RUSSELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LUCAS. Mr. President, I wish to announce now that in the event we do not finish the bill by 6 o'clock this evening, under the agreement I have had with other Senators we will have to take a recess until Monday next. I think Senators should know that at this time. I have agreed that there shall be no session tomorrow, and that there will be no night session. It will mean that if necessary we will have to go on with the bill on Monday next.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. WHERRY. I appreciate the remarks of the majority leader. I know he is attempting to get a vote on the amendments, in an effort to dispose of the farm legislation today. Of course, as to the amendment which is to be offered again by the distinguished Senator from North Dakota [Mr. YOUNG], I understand in conjunction with the distinguished junior Senator from Georgia [Mr. RUSSELL], it seems to me that inasmuch as the amendment has been debated, and was voted on several times a day or two ago, it would not take too much debate on the amendment to get it out of the way. I had hoped we could get a unanimous-consent agreement on that amendment. I might state to the majority leader that I have persuaded several Senators to remain here, Senators who have to leave this afternoon, and some of them cannot possibly be here Monday. I would deeply appreciate it if, after we take a vote on the amendment of the Senator from North Dakota and the Senator from Georgia, we could try to finish the bill today before a recess is taken.

Mr. RUSSELL. Mr. President, I can assure the Senator that I shall not take any great time on the amendment or on the bill, and I do not know of any other Senator who will, but it seems to me this one amendment has been singled out for a unanimous-consent request, after objection has been made to fixing a time for a vote on the bill. I regard this amendment as being of vital importance. Of course, other Senators differ with me, but I think we can vote on it by 3 o'clock if we run along in the normal course.

Mr. LUCAS. Does the Senator object?

Mr. RUSSELL. I would prefer that we run along. We may vote by 3 o'clock. We may save time by not having a unanimous-consent agreement.

The PRESIDING OFFICER. Objection is heard. The Senator from North Dakota has been recognized, and has the floor.

Mr. YOUNG. Mr. President, on behalf of myself and the junior Senator from Georgia [Mr. RUSSELL], I send to the desk an amendment to Senate bill 2522 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, line 3, after "(1)", it is proposed to insert "(A)."

On page 3, between lines 8 and 9, it is proposed to insert the following:

(B) The level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas are in effect.

Mr. YOUNG. Mr. President, at the outset I wish to take exception to the statement made by the able Senator from Vermont [Mr. AIKEN] last Tuesday when he said that the wheat farmers and the cotton farmers had ganged up against the other farmers of the country. Obviously that statement was designed to stir up sectionalism, and turn one segment of agriculture against another. I deeply resent all of its implications.

Ever since I came to the Senate I have been working very closely with the Senator from Georgia [Mr. RUSSELL], because he and I think more nearly alike on agriculture than any other two Members of the Senate. We joined in a fight for farm housing, rural electrification, soil conservation, and many other agricultural projects. For the past 3 years, we have served together on the committee considering agricultural appropriations, and I have found the Senator from Georgia to be the fairest and probably the ablest defender of agricultural rights in the Senate.

Mr. President, the amendment which the able Senator from Georgia [Mr. RUSSELL] and myself are offering is somewhat different from the one which was approved by the Senate previously, but deleted by the Senate Agriculture Committee.

The amendment provides that the farmer shall receive a price support for basic farm commodities at 90 percent of parity only when he is under quotas. The last amendment provided that he would receive 90-percent supports when under either acreage controls or quotas.

My good friend, the Senator from Vermont [Mr. AIKEN], contended at the time this amendment was before the Senate that it would mean rigid 90-percent supports at all times. His contention was that under the Agriculture Act of 1938 the Secretary of Agriculture would have to declare acreage allotments every year if farmers were to receive the benefits of price-support legislation.

Apparently, many Members of the Senate and the press subscribed to the views of the Senator from Vermont [Mr. AIKEN], since the press all over the Nation has labeled the Russell-Young amendment a rigid 90-percent support program. While I believe in rigid 90-percent supports, I am not, at this time, offering any such amendment.

I discussed this matter yesterday with Representative HOPE, the ranking Re-

publican Member of the House Committee on Agriculture. It was his opinion, and the opinion of the counsel of the House Agriculture Committee, that the Senator from Vermont [Mr. AIKEN] was wrong on his argument. Representative HOPE called my attention to a discussion on this particular provision of the Agriculture Act of 1938 in the House hearings labeled: "Agricultural Act of 1948 (Aiken bill) part 1, serial D."

On pages 221, 222, and 223 it is very apparent, from the questions that Representative HOPE and Mr. Parker asked of Judge Hunter, the Solicitor from the Department of Agriculture, that it is purely optional for the Secretary of Agriculture to call for acreage allotments.

Mr. President, I wish to read just a part of these hearings on page 221:

Mr. HOPE. Yes; but now the point I am still not clear on is whether it is simply up to the Secretary to determine whether or not he will have acreage allotments. Is it true that it is simply up to the Secretary? He has the law on the books, and he can decide whether or not he will have acreage allotments. Is that the case?

Mr. HUNTER. He could establish acreage allotments for the 1950 crop. The time element does not give us any trouble there.

Mr. HOPE. I am not thinking about the time element or anything else. I want to know how it is determined as to whether you are going to have acreage allotments. One reason I want to know that is in connection with the provision of the of 1948 act which says that whenever acreage allotments are in effect, or whenever marketing quotas are in effect, there shall be a 20-percent increase in the support price. What I am trying to find out is whether the Secretary has the authority in any year that he sees fit to put acreage allotments into effect on these four commodities.

Mr. HUNTER. I think, under the opinion rendered, he would have that authority, Mr. HOPE. Where there is no need for acreage allotments at all, I do not see where he is under any mandatory obligation to establish acreage allotments just for the purpose of providing this 20-percent premium.

Mr. PARKER. Under the Agricultural Adjustment Act of 1938, is the Secretary required to proclaim a national acreage allotment for every year for wheat?

Mr. HUNTER. No. I just stated that the opinions state that in view of the emergency that then existed he was not requested to do it.

Mr. President, I suggest that if any Senator is still in doubt, that he read this record carefully, or consult with Representative HOPE and the House Agriculture Committee counsel, who went into this provision very carefully during these hearings.

Even though I am convinced that the Senator from Vermont is completely wrong, in order to overcome some objections that resulted, the Senator from Georgia [Mr. RUSSELL] and myself are willing to modify our amendment only to make mandatory 90-percent supports when farmers are under quotas.

Mr. AIKEN. Mr. President, will the Senator yield long enough so I may put emphasis on the fact that the person giving that testimony, to the effect that the Secretary was not required to proclaim acreage allotments on wheat this year, was the chief solicitor of the Department of Agriculture. That is a fact, is it not?

Mr. YOUNG. Yes. It was Judge Hunter.

Mr. AIKEN. The chief solicitor. I want to emphasize that now because I shall refer to it later after the Senator finishes.

Mr. YOUNG. One of the reasons why I want the change made is that I personally believe the question a very debatable one regardless of this very clear testimony.

Mr. AIKEN. Does not the Senator from North Dakota believe we should read the law, and go by that, rather than by testimony given before a House committee?

Mr. YOUNG. Representative HOPE gave his views on the subject. He has been engaged in agricultural legislation for about 20 some years. I called him yesterday on the subject.

Mr. AIKEN. The reason I want to emphasize this matter now is that I shall point out later the confusion and misunderstanding which exists in some departments of our Government. This is a good example of it. When the Senator concludes I shall put into the RECORD information from the solicitor's office expressing a viewpoint directly contrary to the one which the Solicitor gave before the House committee.

Mr. YOUNG. I agree that it is a debatable question.

Mr. AIKEN. I do not question that the testimony was given.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. YOUNG. I yield.

Mr. MUNDT. I wish to refer to the hearings in February and March of this year before the House Agricultural Committee. In those hearings appears the opinion to which the Senator from Vermont has been referring during the debate. Congressman HOPE questioned the witness on section 332 in the Triple A Act of 1938. Then the witness read the section, and was asked this specific question:

Do you mean to say that if quotas are not in effect he is not required to proclaim an acreage allotment, but he may?

Mr. Hunter answered:
That is right.

Mr. AIKEN. But that referred only to cotton and tobacco, and that in recent months. It did not refer to wheat, corn, rice, or peanuts in any respect. On these commodities the Secretary has to proclaim acreage allotments each year, but it does not follow that there will be quotas. On cotton and tobacco he has to proclaim quotas first. Then the quotas have to be translated into allotments.

I am afraid that the gentlemen from the wheat States have fallen into somebody's trap.

Mr. YOUNG. I should like to say to my good friend the Senator from Vermont, that I stuck with him through thick and thin a year ago, but oftentimes since I have been unable to follow him through this price-support legislation.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. The Senator from Vermont is certainly mistaken when he says this deals only with cotton and tobacco. I shall read the language of the section from page 222 of the House hearings. It does not even mention cotton or tobacco. This is the basic law as it is printed in the hearings:

Not later than July 15 of each marketing year for wheat—

Not peanuts, but wheat—

the Secretary shall ascertain and proclaim the total supply and the normal supply of wheat—

Not peanuts, but wheat—

for such marketing year, and the national acreage allotment for the next crop of wheat.

Then the question was asked specifically about wheat:

Do you mean to say that if quotas are not in effect he is not required to proclaim an acreage allotment, but he may.

Mr. Hunter replied:

That is right.

Now, Mr. Hunter is interpreting that law respecting wheat. Mr. Hunter is the solicitor of the Department of Agriculture, and he was interpreting the law. He is the man who interprets it for Congress and for the Secretary. Consequently, it should be an interpretation upon which we ought to pass intelligent legislation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. May I ask if the Senator believes that the Solicitor's office should make two directly opposite interpretations of the same provision of the law in the same year?

Mr. MUNDT. No; of course not.

Mr. AIKEN. I do not know when the interpretation to which the Senator referred was made.

Mr. MUNDT. This appears on page 222 of the House hearings. It was made in March of 1949.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. What are the facts? What is the law?

Mr. AIKEN. I shall give the facts when the Senator from North Dakota completes his statement.

Mr. CAPEHART. What has been said may have a tendency to confuse some of us. Is there no Member of the Senate present who knows what the law is and what are the facts?

Mr. YOUNG. The Senator from South Dakota [Mr. MUNDT] was quoting from hearings held by the committee. He was reading from the testimony of Judge Hunter. But there are apparently two conflicting opinions. I agree with the Senator from Vermont that, looking over the whole situation, the matter is probably debatable. For that reason I have eliminated that part.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. I should like to correct the Senator. I do not believe the Senator from South Dakota quoted the law. He quoted from Judge Hunter's testimony.

Mr. MUNDT. I quoted from Judge Hunter's testimony, but in the testimony of Judge Hunter he was interpreting the law.

Mr. AIKEN. His interpretation of the law was read, but not the law.

Mr. MUNDT. Yes; his interpretation of the law. The law itself was read immediately before his interpretation.

Mr. AIKEN. Does the Senator from South Dakota believe that interpretation was correct?

Mr. MUNDT. Yes; I have every reason to believe it to be correct since I have no reason for feeling the Department's own Solicitor would make a false or erroneous interpretation. The Senator from Vermont indicates that at some other time Judge Hunter made a different statement; but so far as I know this is the only time the Solicitor has ruled on the question in a public hearing.

Mr. CAPEHART. What has the Secretary of Agriculture been doing? What has been the practice in the past?

Mr. YOUNG. The question has not arisen. During the war allotments were suspended under the war emergency, and the question has not arisen.

Mr. CAPEHART. There has been no necessity for applying allotments?

Mr. YOUNG. That is true.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. Does not the Senator from North Dakota recall being requested to meet with the Secretary of Agriculture, Mr. Trigg, Mr. Andrews, the Senator from Oklahoma [Mr. THOMAS], the Senator from Georgia [Mr. RUSSELL] and myself, about a month ago?

Mr. YOUNG. I do.

Mr. AIKEN. At that time it was pointed out that the Secretary proclaimed acreage allotments for wheat this year. The Secretary stated, as I recall, that he was simply complying with the law. I shall read the law into the RECORD.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. Is it not a fact that acreage allotments for next year have been proclaimed?

Mr. YOUNG. That is correct.

Mr. CAPEHART. I have already received my allotment.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. RUSSELL. This discussion is largely moot, in view of the fact that the amendment has been altered so as to apply only in case marketing quotas are in force.

Mr. YOUNG. I merely raise the question to point out that I thought I was right before. The publicity which went out over the Nation that this would be a completely rigid 90 percent program.

Mr. RUSSELL. I should like to point out that the so-called Aiken Act, which will take effect the first of next January

unless Congress enacts other legislation, has exactly the same provision as did the original amendment which was offered by the Senator from North Dakota and myself. I invite the attention of Senators to paragraph (3) of subsection (b) of section 302 of that act. Following the tables, which run the loan from 90 percent to 60 percent, based upon the supply, we find this language:

(3) Notwithstanding the foregoing provisions of this section—

(A) the minimum level of price support to cooperators for any basic agricultural commodity shall be 120 percent of the minimum level determined from the foregoing table, if acreage allotments are in effect at the beginning of the planting season for such commodity—

Mr. YOUNG. That ought to answer the question.

Mr. RUSSELL. I continue reading from the language to which I have referred:

or if marketing quotas are in effect at the beginning of the marketing year for such commodity, but in no case shall the level of price support for any commodity be increased thereby above 90 percent of its parity price as of the beginning of the marketing year.

Mr. AIKEN. Mr. President, will the Senator read further?

Mr. RUSSELL. Yes. How much further does the Senator desire me to read?

Mr. AIKEN. Until the Senator makes it clear that the provision he just read does not provide for mandatory 90 percent supports.

Mr. RUSSELL. I read further:

(B) the level of price support for any basic agricultural commodity normally marketed in any marketing year with respect to which marketing quotas have been disapproved by producers shall be 50 percent of the parity price of such commodity as of the beginning of such marketing year.

Mr. AIKEN. I am afraid the Senator skipped a little.

Mr. RUSSELL. Here is a copy of the act. The Senator can read it.

Mr. AIKEN. The Senator did not read the following:

Shall not exceed 90 percent of the parity price of such commodity as of the beginning of the marketing year or be less than the percentage of its parity price as of the beginning of such marketing year determined from the following table:

Mr. RUSSELL. That has nothing to do with it. I referred to the table. The language which I read begins:

Notwithstanding the foregoing provisions of this section—

So without regard to what is in this section, this law applies.

Mr. AIKEN. That is correct. It provides that the Secretary shall not fix a level above 90 percent nor less than the minimum provided for by the table in the act.

Mr. RUSSELL. It does not say any such thing. I read it once, and I shall read it again:

The minimum level of price support to cooperators for any basic agricultural commodity shall be 120 percent of the minimum level determined from the foregoing table, if acreage allotments are in effect at the beginning of the planting season for such commodity, or if marketing quotas are in effect at the beginning of the marketing year

for such commodity; but in no case shall the level of price support for any commodity be increased thereby above 90 percent of its parity price as of the beginning of the marketing year.

Mr. AIKEN. Please finish that sentence—
or be less than—

Mr. RUSSELL. There is no such language there.

Mr. AIKEN. I challenge the Senator from Georgia to point out where that means 90 percent.

Mr. RUSSELL. Of course it means 90 percent.

Mr. AIKEN. If it meant 90 percent, why did the Senator from Georgia and the Senator from North Dakota propose anything different?

Mr. RUSSELL. Of course I did not mean to make the argument that it would allow 90 percent in any case. It would allow 80 percent.

Mr. AIKEN. It allows a maximum of 90 percent, and if quotas or allotments are in effect, a minimum of 72 percent.

Mr. RUSSELL. If it goes down to the point where the supply percentage is 130, the level of support will be 60 percent.

Mr. AIKEN. Plus 20 percent, or 72 percent.

Mr. RUSSELL. Exactly. That does not illustrate what I was talking about. The Senator from Vermont, when he drafted the bill, recognized that if acreage allotments were in effect the same premium would apply as in the case of marketing quotas. So we have gone further in this amendment than the Senator did in his bill.

I was further pointing out that this probably explains the action of the Secretary of Agriculture in declaring acreage allotments for 1950, because in the absence of any other law this law would apply, and it would certainly be consistent with his duty, if he apprehended that this law might apply in 1950, to proclaim acreage allotments.

Mr. AIKEN. Of course, in several cases he has already used the provisions of that law in anticipation of its becoming effective January 1.

Mr. RUSSELL. That is what I am pointing out.

Mr. AIKEN. I should like to point out that it does not provide 90 percent support.

Mr. RUSSELL. I did not say that it provided 90 percent. It provides not to exceed 90 percent.

Mr. AIKEN. The minimum, when quotas are in effect, would be the level determined by the formula, plus 20 percent. That means that the minimum for basic commodities under title II of the 1948 act would be 72 percent. The maximum would be 90 percent, unless in the interest of national security the Secretary deemed it advisable to go beyond 90 percent.

Mr. RUSSELL. The Senator is making the point—

Mr. AIKEN. I intended to make a different point from the point which the Senator is discussing.

Mr. RUSSELL. The Senator can make an abstract point which does not cast any light on the discussion if he chooses, and I shall not object.

The point I was trying to make is that the Senator's own bill recognized acreage allotments and marketing quotas as being entitled to exactly the same premium, whatever that premium might be, under the terms of the bill. The Senator knows what the program is better than I do. The fact that the Secretary has proclaimed acreage allotments for next year does not necessarily hinge upon the fact that the law was mandatory, but upon the fact that he assumed that the Aiken law might take effect. I think it was consistent with his duty under the Aiken Act that he should proclaim acreage allotments.

Mr. AIKEN. No; it is under the 1938 law. However, I do not wish to take the time of the Senator from North Dakota. I shall read the law into the RECORD when the Senator from North Dakota concludes, together with information from the Solicitor's office which is directly contrary to the testimony of Judge Hunter as given before the committee.

Mr. YOUNG. That is a moot question, which we have eliminated.

Mr. RUSSELL. I apologize to the Senator for discussing a moot question.

Mr. YOUNG. We have settled that issue now; but I suspect that the opponents of this amendment, for political purposes, will claim that the wheat farmer is getting a bad deal. It probably will not be quite as good. There might occasionally be a year when we would have acreage allotments but no quotas, but it would be very rare.

When Secretary Brannan called me this morning on another matter, I questioned him on this subject. He said, "Your amendment will do about as much good as the one previously offered," which included both acreage allotments and quotas. He stated that he was for it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. Did the Secretary of Agriculture state unequivocally that he was in favor of the rigid 90-percent supports?

Mr. YOUNG. He stated that he was in favor of the amendment which I offered.

Mr. AIKEN. That is 90-percent support.

Mr. YOUNG. Under quotas.

Mr. AIKEN. On cotton, tobacco, and peanuts.

Mr. YOUNG. Please let us not confuse this proposal with the rigid 90-percent support. We have already settled that issue.

Mr. AIKEN. I shall point out later that it means a permanent 90-percent support for peanuts and tobacco, and 90 percent for cotton for a long time to come. It does not mean 90 percent for wheat, and possibly not for corn or rice.

Mr. YOUNG. That is the opinion of the Senator from Vermont. I do not believe that the farmer would be more likely to follow his opinion than mine.

Mr. AIKEN. I do not ask him to follow my opinion. I simply wish to present the facts.

Mr. YOUNG. I thoroughly disagree with the Senator's presentation, as I have on many other occasions.

Mr. President, if I were thinking only of political benefits—especially since I may be a candidate for reelection next year—I would let this RECORD go unchallenged. The fact that the newspapers and columnists all over the Nation called this a rigid 90-percent program has certainly put me in good standing with the people of my State and elsewhere.

Now the farmers are calling me a 90-percenter, which, politically, is the next best thing to being called a 100-percenter, in farm language. To those who may question my thinking on this matter, I merely want to point out that in practically every poll taken recently in the Midwest, and even in the conservative area of the Midwest, farmers indicated a heavy preference for 100-percent supports.

Mr. President, the press has been of great service politically in my State by calling this amendment a rigid 90-percent program. Again, if it were only for political purposes, I would not challenge this record. However, I want to be absolutely honest with the farmers of my State and Nation.

Farmers are the most loyal people in the world; and I would not, for anything, try to deceive them in any way.

Only last week the political paper of my colleague the Senator from North Dakota [Mr. LANGER] had this to say:

Well, now MILT YOUNG is sure getting his neck out pretty far by bucking against the Brannan plan. The farmers want their 100-percent parity and MILT he better watch out. I heard the Farmers Union fellow talk on the radio about it the other night. It sounds like sense to me. The heck with this 65 percent stuff. Sixty-five percent may be enough to suit MILT, but for me, I want 100-percent parity like the Brannan plan says.

So the press may observe that they did me a real service.

Obviously, Mr. President, it gives me a great deal of pleasure to spoil the argument of my good and respected political opponents in North Dakota.

I would be sitting on top of the world politically, if I could only get the press to carry the following statement made by my good friend, the Democratic majority floor leader [Mr. LUCAS]. This statement appears on page 14098 of the CONGRESSIONAL RECORD for October 4, 1949:

Mr. LUCAS. I know the Senator from North Dakota is for 100-percent parity. He has expressed himself in committee, off the Senate floor, and on the Senate floor. I know he wants 100 percent; 90 percent is not sufficient for the Senator from North Dakota. I am surprised he has not offered an amendment to make it 100 percent. I am really surprised he agreed with the Senator from Georgia on 90 percent because the Senator from North Dakota has continually talked about 100-percent parity.

I may circulate that statement all over North Dakota next year.

Mr. President, I have had more than a little experience with these 60-percent labels, 90-percent labels, and 100-percent labels. My good friend, Vice President BARKLEY, in the last campaign made a brief visit to Minnesota, and I believe he made two speeches. In those speeches he advocated 90-percent supports. The day following those speeches, nearly

every farmer in Minnesota was saying, "BARKLEY is a 90-percenter." "BARKLEY is a 90-percenter."

Some of those Minnesota farmers crossed the Red River into North Dakota, and said, "BARKLEY and Truman are 90 percenters, BARKLEY and Truman are 90 percenters." That gave me a rather hard time, when I was trying to carry my State for the Republican ticket.

I, too, was campaigning for 90-percent supports; but I believed the Secretary of Agriculture could provide those supports under the Aiken Act. The net result was that North Dakota gave Governor Dewey a bigger vote than he had received 4 years previously.

However, I noticed that in Minnesota, with its good Governor Youngdahl—and in my opinion he is one of the outstanding governors of the Nation—the two good Republican Senators at that time, and the many good Republican Congressmen—it was impossible to overcome the argument Senator BARKLEY made and to stop the farmers from voting the Democratic ticket.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. YOUNG. I yield.

Mr. AIKEN. I am glad the Senator who now occupies the chair [Mr. HUMPHREY] is where he is, so that he cannot reply to the statement the Senator from North Dakota has just made—to the effect that Minnesota has two good Republican Senators.

Mr. YOUNG. I was speaking of the situation last year, during the campaign.

Mr. AIKEN. Now I am more than glad that the junior Senator from Minnesota is in the chair, where he cannot talk back. [Laughter.]

Mr. YOUNG. What I am trying to point out, Mr. President, is that, right or wrong, the farmers of the great Midwest want 90-percent supports. If the Republican Representatives in Congress are not willing to go on record for these levels of support, then there is little hope that that area will go Republican again for a long while to come.

Many wonder why farmers are so concerned about price supports and why they want 90- or 100-percent supports. The farmers' thinking would be better understood if the opponents of that legislation had lived through the misery and tragedy with the farmers in that tragic period of the thirties. At that time, as Senators will recall, prices on farm commodities swung to almost record lows. Wheat went as low as 18 cents a bushel, hogs \$1.50 a hundredweight, barley and oats from 1 cent to 6 cents a bushel. The result was that the great majority of the farmers, while living on the starvation diet and in dire poverty, still lost most of their farms.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. What prices would the parity arrangement of from 75 percent to 90 percent, as provided in the Anderson bill, have given the farmers dur-

ing the period of the thirties, for wheat, for instance, during the time the Senator has been discussing?

Mr. YOUNG. The support level—

Mr. CAPEHART. No; I mean this: Under the Anderson bill, as it is being debated today, what would the support price received by the farmers have been during the period the Senator has been discussing?

Mr. YOUNG. I do not know—perhaps about 60 or 70 cents a bushel, I should guess.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. Under title II of the Agricultural Act of 1948, the minimum floor for wheat during any of the years in the 1930's would have been 76 cents a bushel. The Anderson bill would have added 5½ cents to that, making the price approximately 81 cents a bushel.

Mr. CAPEHART. So if we went back to the situation we had in the early 1930's—

Mr. AIKEN. Of course, in those days parity for wheat was nearer \$1.

Mr. CAPEHART. If we went back to that period, under the Anderson bill the guaranty would be about 81 cents a bushel. Is that correct?

Mr. AIKEN. Yes.

Mr. YOUNG. I think the figure would be lower than that, because the Anderson bill gives a lower parity price for wheat than the parity formula used at that time gave.

Mr. AIKEN. In the figures I gave, I took that into consideration.

I obtained that figure from the Bureau of Agricultural Economics when the 1948 act was being formulated; and it figured out 76 cents, under that formula. The Anderson formula, including allowance for the cost of hired farm labor, would raise that figure about 5½ cents a bushel.

Mr. CAPEHART. My point is that I do not think the Senator from North Dakota intends to leave the impression that unless we adopt his amendment, the price of wheat and the price of corn will go as low as they did in 1931 and 1932.

Mr. YOUNG. I shall give a comparison, a little later, in regard to that situation. The Anderson bill, if enacted, would be of some help, but not all the help that is needed. In my opinion, the price of wheat may well go down 30 or 40 cents a bushel without a support program.

Mr. CAPEHART. Under the Anderson bill?

Mr. YOUNG. No; I mean without a support program. Under the Anderson bill, 90 percent of parity is \$1.71 a bushel, for wheat. Seventy-five percent of parity, under the Anderson bill, would be about \$1.50 a bushel. We are proposing to break it at \$1.71 a bushel, when the farmer is under quotas. That is a drastic drop from the present support program.

Mr. CAPEHART. What would be the difference between the price of wheat under the Anderson bill and under the Senator's proposal?

Mr. AIKEN. Ten cents.

Mr. CAPEHART. I should like to know how much difference there would be in the price per bushel. That is what we are really arguing about.

Mr. YOUNG. Under the Anderson bill, the level is between 75 percent and 90 percent of parity. Of course, the amount of the carry-over would determine whether the percentage would be 75, 80, 85, or 90.

This proposal would make it a rigid 90 percent when the farmer was under quotas. A two-thirds vote of the farmers is required, if they are to be put under quotas.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. Reference has been made to the depression prices, such as \$1.50 a hundredweight for hogs, and the drastically low prices on oats and wheat. The only reason I rise now is to call attention to the fact that that was at a time when no farm-support programs were in existence.

Mr. YOUNG. That is correct.

Mr. THYE. There had been the Federal Farm Board, and it had made some purchases of commodities, including grain. But when it reached the point where it was greatly burdened, and was unable to obtain appropriations to permit it to continue making purchases, and when the storage of wheat became a problem, the farm program finally broke down, insofar as the Federal Farm Board was concerned. But the drastically low prices the able Senator from North Dakota has recently mentioned occurred at a time when there were no farm price support programs of any kind.

While I am mentioning it, all the discussion we have had here has been on the basic commodities, wheat, corn, cotton, rice, tobacco, and peanuts. The fact of the matter, insofar as the Northwest is concerned—and I do not include North Dakota, except the eastern part of the State, where there is considerable dairying and where there is considerable livestock—and in all the Midwestern States, such as Minnesota, Wisconsin, Michigan, Illinois, Indiana, Nebraska, and Iowa, and southward, there is a generally diversified type of farming, in which the major part of the farmer's income is from the livestock industry, pork, beef, mutton, dairy products, poultry and turkeys. That particular phase of agriculture has never had specific recognition in price-support provisions.

Mr. YOUNG. I agree with the Senator. I helped put them in.

Mr. THYE. The fact of the matter is, that all the legislation which has been given any consideration has generally been based on the six basic commodities I mentioned. The others were left to the discretion of the Secretary of Agriculture. The Secretary was confronted with the question of whether he would have the money and of whether Congress would make certain appropriations to take care of the perishable commodities. It was provided that section 32 funds should be earmarked or set aside to take care of perishables, but I call the attention of the able Senator from North Dakota to the fact that in the Midwest, while we talk about the basic commodi-

ties—and they are absolutely important in the agricultural program—the perishables, such as dairy products, hogs, beef, poultry, mutton, pork, eggs, and turkeys, are major, so far as we are concerned.

Mr. YOUNG. May I interrupt the Senator for a moment?

Mr. THYE. Yes.

Mr. YOUNG. The whole fallacy of the argument of the opposition is exactly what the Senator is pointing out. The Anderson bill has the highest amount of rigid support levels for perishables ever written into any legislation, and it is done with scarcely any means whatever of control. In respect to basic commodities, every imaginable form of control is written into the law—acreage allotments, quotas, marketing agreements, loans, and everything else. The whole weakness of the bill—and I am supporting it, though it needs amending—is that there are no controls in it for perishables.

Mr. THYE. Will the Senator from North Dakota yield further?

Mr. YOUNG. I yield.

Mr. THYE. For the sake of the country folk who will read the Record and try to follow what we in the Senate are doing, so far as it relates to their tax money and to their support program, let us not confuse them by making them believe that the six basic commodities are all important in the agricultural support program.

Mr. YOUNG. Let me interrupt the Senator at that point.

Mr. THYE. Will the Senator from North Dakota let me continue the thought for a moment?

Mr. YOUNG. I yield.

Mr. THYE. I beg the Senator's pardon for trespassing upon his time.

Mr. YOUNG. I yield.

Mr. THYE. I wanted to carry through the thought that, while we recognize the Secretary will have a tremendous problem on perishable nonbasic commodities, they are yet subject to storage; and on that particular question the producer has agreed to take 75 to 90 percent of parity, and be very thankful for it, because this is the first time in the history of farm programs that he has been given even that much recognition. Heretofore there has been an effort to control his production by the creation of scarcities in corn and wheat through the reduction of production. He was told, "If you are short of feed, it will influence the production of perishables, and that will result automatically in high prices." But that could not be, because the program itself proved to us in the late 1930's that the wheat and corn controls did not in any sense control dairy products, nor did they control pork and beef. So there was a drastic problem facing the producer of perishables, and a drastic problem of rigid controls facing the producer of wheat, corn, and even cotton, because more than a fourth of the crop of wheat was being put under seal at 57 cents a bushel, under a commodity loan, as late as 1940. It was only the floor that saved us a little.

Mr. YOUNG. I do not like the Senator to make a speech in my time without giving me a chance to answer. He is speaking of a time when we were sealing up wheat. We were importing

more wheat than we were exporting during that time. What I resent in the whole argument is that we who are trained to protect the right of the basic farm-commodity producers are accused of unreasonable things. The Anderson program drops the parity level rather severely for the basic commodities, but it ups everything for pork, beef, and dairy products. Everything is upped far above any parity program, and merely because we are trying to cushion the drop a little, we are being severely criticized, accused of sectionalism, and of ganging up.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. First I should like to beg the Senator's pardon for trespassing upon his time.

Mr. YOUNG. I am happy to yield to the Senator.

Mr. THYE. Second, if the Senator will permit, I should like to try to answer the last statement he made. I do it in all sincere friendship, because there are very few men whom I have admired more and for whom I have felt a greater friendship than the Senator from North Dakota. I have been his neighbor, across the line. In 1920, when I was a young man, just out of military service, I traveled through his State. But the fact is that Congress appropriated more than \$300,000,000 for soil conservation last year, and annual appropriations are made for that purpose. We are confronted with soil erosion. If I may trespass further on the Senator's time, I may say the good land has been eroded and wasted to a point where more than 282,000,000 acres has been denuded of its rich fertile topsoil. An effort is being made to rebuild it. There is no farm practice known to man which will tie the top soil to the land, conserve it for future generations, and maintain its fertility, like a diversified family type of husbandry. It will produce more grain and will assist the producers of the cash crops of wheat and corn more than any other type of management.

It is for that reason that the able Senator from New Mexico [Mr. ANDERSON] and the able Senator from Vermont [Mr. Aiken], listening to the great agricultural economists, and listening to those who are the friends of soil-conservation measures, when they were trying to influence the type of farm legislation, endeavored to bring back into balance the unbalanced situation of our farm management and husbandry. They sought to do so by bringing dairy products, beef, pork, and livestock in general up to such a level that it would be desirable to continue that type of farm practice, rather than to put corn and wheat into bins, seal them up, take the money, sit back, and wait for the next harvesting season.

Speaking of my own experience, I am a wheat producer, as well as a corn producer. More than 80 percent of my wheat acreage was taken from me this year, and I have quietly protested against the cut in my wheat acreage. But in spite of that, I must still rise in the Senate in an effort to protect future

generations by seeing to it that the requirements of good farm management are taken into consideration—the type of farming which will hold the soil and preserve its fertility for the benefit of future generations.

Again I apologize to the Senator. I do not like to trespass upon the time of any Senator as I have trespassed upon the time of the Senator from North Dakota.

Mr. YOUNG. Mr. President, I thank the Senator very much. I supported the general principle of the bill. I supported the dairy section. I think the general philosophy is all right. But I think the bill goes a step too far in raising parity in connection with some of the perishables, without any protection in the bill by way of controls. Some method of controlling the production of pork and certain other perishable items should have been provided. In the spring-wheat area wheat has been selling above support levels. The Commodity Credit Corporation can reap a handsome profit in its operations this year. I do not know as to winter wheat.

When wheat was selling for from \$2 to \$3 a bushel for several years, the farmers enjoyed enough prosperity to buy back many of the farms which they had lost. They repaired the buildings. Many of them received REA aid, and with that REA aid they purchased millions of dollars worth of electrical equipment, bathroom fixtures, and so forth. They purchased great quantities of farm machinery, because their equipment was completely worn out when better times came. They purchased new automobiles and trucks for the same reason. They reinstated their insurance which had lapsed, and in a thousand other ways, through their regained purchasing power, created added new business for the entire Nation.

I wish to point out, Mr. President, that when a farmer is able to buy an automobile or truck, Wisconsin, Michigan, or Indiana benefits by added business. The electrical equipment and other parts of these cars and trucks are manufactured in eastern cities, thereby giving them new business. Most of their insurance policies are carried by companies who have home offices in New York and other eastern cities.

The refrigerators which they purchase, radios, electrical motors, and other such equipment are manufactured in various eastern cities. Much of the business done in the Midwest is through chain stores whose stockholders are eastern people. The profit of this added business enriches the people of the East.

I am trying to point out, Mr. President, what it means to the industrial East, including labor in the industrial East, to have prosperity in the farming area. All this purchasing power is possible if farm products can be sold at a profit.

Wheat is typical of most of the farm products. For a considerable time it sold for over \$3 a bushel in the average farmer's market. Now it is down to \$2 or less in this same market. This amendment which the Senator from Georgia [Mr. RUSSELL] and I are proposing does not seek to keep it at that level. Under 90

percent of parity, which we are seeking to provide at all times when marketing quotas are in effect, after the second year of operation of this bill, it will be only \$1.71 a bushel. With the 75 to 90-percent support price level, and the level of support dropped to 75 percent of parity, the local market price would be less than \$1.60 a bushel.

That is in contrast with the argument made a few days ago that if the amendment were adopted it would break the whole program and would cost \$5,000,000,000. I think there was more harm done by that statement in connection with the farm program than has ever been caused in any other session of the Congress.

I received a letter from a consumer a few days ago. He thought we were going to increase the cost to the consumers tremendously through an increased level of support for dairy products, beef, and so forth.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. As one of those supporting the Young-Russell amendment when it was considered on Tuesday, I am a little concerned about the language of your modified amendment, and I should like to be sure that we shall still have adequate safeguards if the new version be adopted. The matter of acreage allotments has now been omitted. As I recall, the Senator earlier stated that he had been in consultation, over the telephone, with Secretary Brannan, and that it was the Secretary's position that if this new language, which does not include acreage allotments, is adopted, and becomes part of the Anderson bill, it would still afford adequate guaranties to the wheat farmer and that it would not reduce his support price below 90 percent, so far as the predictable future is concerned.

Mr. YOUNG. That is correct. I understood, in talking with the Secretary, that he expected the surplus to be heavy enough in the future so that in all probability we shall have quotas in many sections of the country. It is not as good a program as is the one including wheat allotments.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ANDERSON. Is it not true that the Secretary of Agriculture, on July 14, 1949, announced that there would not be marketing quotas on wheat in 1950, and that therefore the 90 percent will not be applicable on wheat in 1950? Is not that the answer which should have been given to the Senator from South Dakota?

Mr. YOUNG. Under the Anderson bill we shall automatically have supports next year.

Mr. MUNDT. The legislation provides for that, does it not?

Mr. ANDERSON. I am not sure as to what was stricken out of the amendment.

Mr. YOUNG. We fixed it up all right.

Mr. ANDERSON. I am not so sure of that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. LUCAS. The Senator did not fix it up all right for corn.

Mr. YOUNG. Corn has the same deal as has wheat.

Mr. LUCAS. Corn has never been under quotas. We may have quotas this year, and we will take them if we have to have them. But what the Senator's amendment will do is to put a premium on crops which have constantly had quotas, such as cotton, tobacco, and peanuts, and do detriment to wheat farmers as well as corn farmers, because corn, in all the history of the farm program, has never had any quotas imposed, and wheat has had quotas either once or twice.

Mr. YOUNG. For 2 years.

Mr. LUCAS. Twice since 1938. How the Senator from North Dakota can change his amendment to the detriment of the wheat growers of his own State is more than I can understand, because he absolutely gives to the basic crops, cotton, tobacco, and peanuts, quotas with a guarantee of 90 percent of parity, and we in the Corn Belt, if we do not have quotas, take whatever the Secretary says we should take. So will the Senator from North Dakota, so far as wheat is concerned,

Mr. YOUNG. Would the Senator prefer the amendment first offered?

Mr. LUCAS. I am talking about the last one offered.

Mr. YOUNG. The Senator opposed it.

Mr. LUCAS. The first was much better, from the standpoint of the position of the wheat farmer, than is this one.

Mr. YOUNG. How much wheat is raised in the Senator's State?

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. RUSSELL. Mr. President, I should like to point out that cotton is not under quotas at the present time. It has not been under quotas for some time. Tobacco will be under quotas, under the bill introduced by the Senator from New Mexico. So the argument of the Senator from Illinois does not apply. Tobacco will be under quota, with or without this amendment. Under the bill it is guaranteed 90 percent of parity. So if there is any disparity here it is between tobacco and commodities that are not under marketing quotas at the present time.

Mr. YOUNG. The Senator is correct.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. I have heard too much about tobacco this afternoon. I want to know how wheat is affected.

Mr. RUSSELL. Efforts have been made to show that there has been special treatment of cotton and tobacco, and I want to point out that that is not a fact.

Mr. MUNDT. The Senator from New Mexico made a statement which was very disturbing to me. I should like to have his attention for a moment. It is his contention that if the Anderson bill passes without the Young-Russell amendment, there will be less than 90 percent of parity for wheat next year?

Mr. ANDERSON. No.

Mr. MUNDT. I gathered that impression from what the Senator said, because he seemed quite surprised—

Mr. ANDERSON. I assumed that the Senator from North Dakota was bringing up the same amendment. I am glad to have it changed. I call the Senator's attention to the fact that year in and year out it has been impossible to establish quotas on corn. He is leaving the corn farmer out of it. Therefore, he is trying to leave the wheat farmer out. Then comes the question of the rice, a commodity of which the total supply next year will be 103 percent. So the rice farmer is out of it. There are three types of farmers protected, those raising cotton, peanuts, and tobacco.

Mr. MUNDT. Mr. President, I am sure that the Senator from North Dakota has no such intention as that suggested by the Senators from Illinois and of New Mexico. We discussed this up one side and down the other and our desire is clearly to protect the price of wheat and corn by this amendment. I wonder if the Senator from North Dakota, in view of the preceding discussions and the point raised by the majority leader and the explanation of the former Secretary of Agriculture, would not consider rewriting his amendment in the exact language we had it before us on Tuesday, because if the amendment shall be agreed to, there will then be mandatory 90 percent of parity price support required for corn and for wheat under certain conditions. We have exploded the theory that it is a rigid support which operates at all times but by reverting to the original language of the amendment we shall be sure its price supports apply to wheat and corn as well as the products enumerated by the Senator from New Mexico.

Mr. YOUNG. I shall be glad to accept that modification.

Mr. MUNDT. I offer that as an amendment to the Senator's amendment, if he will accept it, that the words "or acreage control" be added.

Mr. YOUNG. I accept the amendment.

Mr. AIKEN. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. AIKEN. I might point out that we have mandatory acreage allotments and mandatory quotas, so peanuts and cotton and tobacco, as pointed out, would have perpetual mandatory supports, but wheat would not, for the reason that the Secretary has proclaimed acreage allotments this year, and has announced that there will not be quotas.

The purpose of proclaiming acreage allotments is to govern the supply in such a way that quotas will not be necessary in future years, and if the Secretary has proclaimed the proper acreage for next year, wheat would not come under quotas, possibly for years and years to come, except during an emergency due to a very heavy overproduction because of weather conditions, or something like that.

While I am against the Senator's amendment, I am glad he has accepted the amendment to take in the acreage allotment because certainly corn and

wheat and rice should be covered if the others are.

The PRESIDING OFFICER. Does the Senator from North Dakota accept the modification proposed by the Senator from South Dakota?

Mr. YOUNG. Yes.

The PRESIDING OFFICER. And thereby modifies his amendment to that extent?

Mr. YOUNG. Yes.

Mr. LUCAS. What is the modification?

Mr. MUNDT. Could we have unanimous consent to have the amendment read in its modified form, showing inclusion of the words "or acreage control" as I have suggested?

Mr. YOUNG. It will now include the words "or acreage control."

Mr. LUCAS. Then the Senator is back on the original track.

Mr. YOUNG. Yes; the amendment would now be the same as that originally offered.

Mr. MUNDT. We certainly look forward now to having the Senator's vote, when we reach a vote, since it has been rewritten to meet his recent criticism.

Mr. ANDERSON. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield to the Senator from New Mexico.

Mr. ANDERSON. I did not agree because I felt I wanted to vote for the amendment. I merely thought I knew the Senator from North Dakota well enough to suggest that he does not want to sponsor an amendment which cuts the corn and wheat producers, but does protect cotton and peanuts and tobacco. I thought it was unfair to him to leave him in that position.

Mr. YOUNG. I always have the greatest respect for the judgment of the Senator from New Mexico.

Mr. LUCAS. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. LUCAS. I should like to reply to the Senator with respect to my vote. My vote will be just the same as it was the other day, and I am glad the Senator got back on the right track. He apparently had forgotten the corn and wheat farmers in our section of the country. That is one of the troubles which has developed in the past a good many times, the corn and wheat farmers usually get left out. But so far as voting for the amendment is concerned, I cannot vote for it, because it is in the same condition now in which we found it the other day.

I am a little surprised at the Senator from South Dakota falling for this kind of an amendment when practically every farm organization in the country is against the amendment, and I know that in his section they are very strong against the amendment proposed by the two distinguished Senators. While these organizations do not take much part in controlling legislation, are we going to say to certain groups by an amendment affecting all the basic commodities, especially the commodities which from now on are continuously to have quotas, as I see it, especially under Public Law 342 with respect to cotton and peanuts, "You are going to have 90 percent of parity

regardless"? We out in the corn and wheat section of the country do not know whether we are going to get it or not. That is exactly what the situation is, whether we go back to the original status or whether we leave it the way it was under the last amendment.

Mr. YOUNG. Mr. President, I totally disagree with the Senator from Illinois. I have not been able to follow him in the position he has taken.

Mr. LUCAS. There is nothing new about that. There are very few who do follow me here.

Mr. YOUNG. When we passed the Aiken bill a year ago the farmers of the Midwest did not follow the farm organizations, and they will not again on this bill, the Senator can make sure. Farmers want either 90 or 100 percent supports.

It is unfortunate that some careless words were uttered on the Senate floor during the course of the debate a few days ago regarding what this 90 percent amendment would do to this farm bill and the resulting cost to the consumers of the East. Wheat, for example, has dropped from more than \$3 a bushel to \$2 or less a bushel on the farm, yet in the East the price of a loaf of bread has not dropped 1 cent.

It costs from 9 to 11 cents a bottle to deliver an empty milk bottle at the doorstep of a consumer in the East. Support levels for eggs, which is the price the farmer has been receiving most of the time last year, ranges from 35 to 45 cents a dozen. Yet eggs in Washington, D. C., presently are selling for 85 to 90 cents a dozen or more.

It is this extreme spread between what the producer receives and what the consumer has to pay which should be of more concern to those representing big consuming areas in the East. Presently the Gillette committee, of which I am proud to be a member, is investigating this spread.

It is strange that those representing the farmers are taking the most interest in these hearings. There ought to be more Senators representing the consumers taking part in the hearings.

Only a few days ago a milk producer in New York testified that his net profits were \$26,000,000 for last year. He himself received a salary of \$150,000 a year, and two of his assistants received from \$90,000 to \$110,000.

I suggest that those representing consumers would do well to look into this, rather than cast suspicion on some of the things the producer needs, the man who is producing at low prices now.

These are things which ought to be of more concern to the Members of Congress, if the food that the consumers have to purchase will ever be reduced to any appreciable degree.

Obviously since wheat has dropped more than one-third and bread has not dropped one cent, it would make little difference in the price of bread, even if wheat sold at practically nothing. It is a good guess that if the farmer provided his wheat, free of charge, to the baking industry, bread would not drop more than three cents a load. I believe that to be an absolutely correct statement.

Let us briefly analyze this Anderson Bill and see what it does. It lowers the parity price for the basic farm commodities—wheat, corn, and cotton. Parity under the present farm price-support program is \$2.15 a bushel for wheat, while under the Anderson Bill it is \$1.90 a bushel. It lowers the parity formula for cotton by more than 10 percent.

From a consumer's angle this will not help him very much, because only a small part of the cost of a suit of clothes is represented by the cotton or wool which it contains.

On the other hand, Mr. President, it raises the parity price a sizable amount for butterfat, milk, hogs, eggs, beef, lambs, and other perishable farm products. These products more directly affect the consumer and add to his cost of living. I might add that the spread between what a farmer receives for pork and what the consumer has to pay is far less than in the case of wheat or any other products.

I hasten to add, Mr. President, that I do not believe this raise in parity price is unfair, as the cost of producing these foods is heavy, and through increased production of these products there will be a greater utilization of surplus grains.

I do wish to point out, Mr. President, that some of the statements made on the floor here a few days ago regarding the 90-percent proposal amendment of the Senator from Georgia [Mr. RUSSELL] and myself were not based on fact. Probably the most important factor of all to be considered is that on all basic farm commodities there is a strict and most effective kind of control legislation now on the statute books which goes back to the beginning of these programs. Production can be effectively controlled on these basic farm commodities to the end that there is little cost to the Government. For example, presently and all during the marketing season cash spring wheat is selling above support levels and the Commodity Credit Corporation will actually make a profit on all the spring wheat that is taken over. I am not familiar with the winter wheat situation.

While the Anderson bill provides higher support levels for perishables than any action ever enacted in the history of price-support legislation, there is little and in most cases no means of controlling the production of these perishable commodities.

To any student of this legislation it should be obvious that the great cost to the Government in supporting farm prices would be in the perishable field and not in the basic farm commodity field to which the amendment of the Senator from Georgia and myself applies.

Mr. President, I wish to point out that in all the history of price-support legislation, the quota which this amendment provides was only in effect 2 years on wheat. It was proposed an additional year, but it was eliminated early in that production year. I wish to point out, too, that before quotas are operated, they must be approved by a two-thirds vote of the farmers themselves.

In all probability corn farmers would rarely vote for quotas, and only when they were in extreme difficulty. There is

not a thing unreasonable, in my opinion, about the Russell-Young amendment. If it is adopted, it will make the Anderson bill a fairly good farm program. I would much prefer to have 90 percent supports for basic farm commodities at all times. It would come much nearer meeting the desires of the farmers and preventing another great national depression.

Mr. AIKEN. Mr. President, I do not think there is anything to be added to the debate as to the comparative merits of a 90-percent support program and a flexible support program. Arguments have gone on interminably in that respect and probably will continue as long as there are farm representatives.

The amendment offered by the Senator from North Dakota and the Senator from Georgia, as it now reads, provides for 90-percent support when acreage allotments or marketing quotas are in effect. I am glad that the Senator from North Dakota, whom I know has the interest of his farmers in mind at all time—sometimes I think a little too assiduously—did not intend, when he earlier modified his amendment, to leave out wheat and corn farmers. I am glad he corrected it at the first opportunity.

However, the question has been raised as to whether the Secretary of Agriculture is required to proclaim acreage allotments each year. I should like to insert in the RECORD the sections of the law which point this out very clearly. I should also like to state that on August 9, 1949, I obtained from the Solicitor's office the following information:

The Agricultural Adjustment Act of 1938 requires that the Secretary shall proclaim acreage allotments each year for corn (sec. 328), wheat (sec. 332), rice (sec. 352), and peanuts (sec. 358).

Under the 1938 act as amended, the Secretary can proclaim acreage allotments only when marketing quotas are proclaimed for tobacco (sec. 321) and cotton (sec. 344, as amended by Public Law 372).

I ask unanimous consent to have printed in the RECORD as a part of my remarks the sections of the Agricultural Adjustment Act of 1938, as amended, which show clearly that the Secretary shall proclaim acreage allotments each year for corn, wheat, rice, and peanuts.

There being no objection, the sections referred to were ordered to be printed in the RECORD, as follows:

ACREAGE ALLOTMENT

SEC. 328. The acreage allotment of corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield for corn in such area during the 10 calendar years immediately preceding such calendar year¹ adjusted for abnormal weather conditions and trends in yield,² will produce an amount of corn in such area which the Secretary determines will, together with corn produced in the United States outside the commercial corn-producing area, make available a supply for the marketing year beginning in such calendar year, equal to the reserve supply level. The Secretary shall proclaim such acreage allotment not later than February 1 of the calendar year for which such acreage allotment was determined. The proclamation of the acreage allotment for 1938 shall be made as soon as practicable after the date

¹ Matter from "a" to "a" added April 7, 1938, by 52 Stat. 202.

of the enactment of this act. (7 U. S. C. 1940 ed. 1328, Feb. 16, 1938, 52 Stat. 52.)
[Public, No. 470, 75th Cong., p. 34.]

PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

SEC. 332. Not later than July 15 of each marketing year for wheat, the Secretary shall ascertain and proclaim the total supply and the normal supply of wheat for such marketing year, and the national acreage allotment for the next crop of wheat. (7 U. S. C. 1940 ed. 1332, Feb. 16, 1938, 52 Stat. 53.)

NATIONAL ACREAGE ALLOTMENT

SEC. 352. The national acreage allotment of rice for any calendar year shall be that acreage which the Secretary determines will, on the basis of the national average yield of rice for the five calendar years immediately preceding the calendar year for which such national average yield is determined, produce an amount of rice adequate, together with the estimated carry-over from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year not less than the normal supply. Such national acreage allotment shall be proclaimed not later than December 31 of each year. (7 U. S. C. 1940 ed. 1352, Feb. 16, 1938, 52 Stat. 60.)

MARKETING QUOTAS

SEC. 358. (a) Between July 1 and December 1 of each calendar year the Secretary shall proclaim the amount of the national marketing quota for peanuts for the crop produced in the next succeeding calendar year in terms of the total quantity of peanuts which will make available for marketing a supply of peanuts from the crop with respect to which the quota is proclaimed equal to the average quantity of peanuts harvested for nuts during the 5 years immediately preceding the year in which such quota is proclaimed, adjusted for current trends and prospective demand conditions, and the quota so proclaimed shall be in effect with respect to such crop. The national marketing quota for peanuts for any year shall be converted to a national acreage allotment by dividing such quota by the normal yield per acre of peanuts for the United States determined by the Secretary on the basis of the average yield per acre of peanuts in the 5 years preceding the year in which the quota is proclaimed, with such adjustments as may be found necessary to correct for trends in yields and for abnormal conditions of production affecting yields in such 5 years: *Provided*, That the national marketing quota established for the crop produced in the calendar year 1941 shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than 1,610,000 acres, and that the national marketing quota established for any subsequent year shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than 95 per centum of that established for the crop produced in the calendar year 1941. (7 U. S. C. 1940 ed. Supp. IV, 1358 (a).)

(b) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of marketing quotas, no referendum shall be held with respect to quotas for the second and third years of the period. The Secretary shall proclaim the results of the referendum with-

² So in original.

in 30 days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against marketing quotas, the Secretary also shall proclaim that marketing quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. Notwithstanding any other provisions of this section, the Secretary shall proclaim a national marketing quota with respect to the crop of peanuts produced in the calendar year 1941 equal to the minimum quota provided for said year in subsection (a) hereof and shall provide for the holding of the referendum on such quota within 30 days after the date upon which this act becomes effective, and the State and farm acreage allotments established under the 1941 agricultural conservation program shall be the State and farm acreage allotments for the 1941 crop of peanuts. (7 U. S. C. 1940 ed. Supp. IV, 1358 (b).)

(c) The national acreage allotment shall be apportioned among States on the basis of the average acreage of peanuts harvested for nuts in the 5 years preceding the year in which the national allotment is determined, with adjustments for trends, abnormal conditions of production, and the State peanut-acreage allotment for the crop immediately preceding the crop for which the allotment hereunder is established: *Provided*, That the allotment established for any State for any year subsequent to 1941 shall be not less than 95 percent of the allotment established for such State for the crop produced in the calendar year 1941: *Provided further*, That for the second or third year of any 3-year period in which marketing quotas are in effect the acreage allotment for each State for such year shall be increased above or decreased below the allotment for the State for the immediately preceding year by the same percentage as the national marketing quota for such year is increased above or decreased below the national marketing quota for the preceding year. (7 U. S. C. 1940 ed. Supp. IV, 1358 (c).)

(d) The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts were grown in any of the 3 years immediately preceding the year for which such allotment is determined. Such apportionment shall be made on the basis of the tillable acreage available for the production of peanuts and the past acreage of peanuts on the farm, taking into consideration the peanut-acreage allotments established for the farm under previous agricultural adjustment and conservation programs. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm until the third year following the year in which such excess acreage is harvested and the total increases made in farm-acreage allotments in any year based on such excess acreage shall not exceed 2 percent of the national acreage allotment for such year: *Provided*, That in the distribution of such increases based on such excess acreage the total allotments established for new farms shall not be less than 50 percent of such increases.* The amount of the marketing quota for each farm shall be a number of pounds of peanuts equal to the normal production or the actual production, whichever is the greater, of the farm peanut acreage allotment and no peanuts shall be marketed under the quota for

any farm other than peanuts actually produced on the farm.* (7 U. S. C. 1940 ed. Supp. IV, 1358 (d).)

[Public, No. 12, 79th Cong., p. 52.]

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MUNDT. I have asked the Senator to yield simply to inquire whether that letter from the Solicitor's office was signed by the same Mr. W. Carroll Hunter, who gave contradictory testimony in the hearings before the House committee?

Mr. AIKEN. That information came from Mr. John Bagwell, of the Solicitor's office, who I understand is an expert on this particular phase of the law, and I am sure he prepares a good deal of information for the Solicitor. He is one of the reliable career men in the Department.

Mr. MUNDT. I believe Mr. Hunter has a higher position in the Department.

Mr. AIKEN. Mr. Hunter holds a higher office. I do not want to go into that subject now.

Mr. MUNDT. I do not want to discredit either man, except to point out that apparently there is a considerable amount of debate going on not only between the Senator from Vermont and the Senators from North Dakota and South Dakota about this matter, but also between the respective members of the Solicitor's office in the Department of Agriculture. So I would suggest that if the Young-Russell amendment, as now rewritten at my suggestion, is adopted, we run along into 1950, when it is covered by the other part of the legislation, and have them resolve the debate one way or the other in the Department of Agriculture. Next year we can then amend the law at that time to meet any situation developing out of the Solicitor's final interpretation of the basic legislation once the debate within the Department of Agriculture is ended and the final verdict publicized.

Mr. AIKEN. I might say that the Secretary proclaimed acreage allotment on wheat this year in compliance with the law. I think the Secretary would probably so advise the Senator from South Dakota. This provision of the law was suspended during the war years, as he had a right to suspend it in the event of a national emergency. But the emergency being deemed over, he has again renewed the practice of proclaiming acreage allotments as the law clearly states. I have simply asked to have the provisions of the law printed in the RECORD.

Mr. MUNDT. I am glad the Senator made that request. I suppose neither one of us can conjecture into the future sufficiently well to predict accurately which branch of the Solicitor's office is going to win that debate.

Mr. AIKEN. If the Senator can advise us of any way to compel agencies of the executive branch of the Government to interpret laws as intended by the Congress then I think he should have his statue put up alongside those of Washington, Lincoln, and Jefferson, be-

cause that is one of the greatest needs of this democratic Government today.

Mr. MUNDT. I certainly agree with that statement.

Mr. AIKEN. We have had demonstrations this year, as members of the Committee on Agriculture and Forestry know, that representatives of the Department of Agriculture, including the Senator himself, have come before the committee and placed different interpretations upon the law than were placed upon the law by the Solicitor's office itself.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MUNDT. I was even more distressed by the fact that the Secretary of Agriculture came before the committees of the Eightieth Congress testifying in support of an Aiken bill which he subsequently went before the people of the United States to condemn, during the political campaign.

Mr. AIKEN. The Senator is entirely correct in saying he did so. Insofar as I know, the first time that the public was ever urged to get back of the Aiken bill by that name was when President Truman, speaking in Los Angeles a year ago last May, referred to it as the Aiken bill and urged Congress to pass it.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the modified amendment offered by the Senator from North Dakota [Mr. YOUNG] on behalf of himself and the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL, Mr. WHERRY, and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I desire to say a few words on this amendment before the vote is taken.

I have served in this body for almost 17 years. During part of that time I was a member of the standing Committee on Agriculture and Forestry. During my entire tenure of service in this body I have served on the subcommittee on agricultural appropriations of the Appropriations Committee, which handles agricultural appropriation bills. During all that time, when I have labored with farm problems, when I have undertaken to handle agricultural appropriations, I hope that I have never been motivated by sectional prejudice against any section of the United States or against the producers of any one commodity. Time and again I have undertaken to rectify injustices, as I saw them, as they applied to the opportunities of the agricultural population of areas far removed from where I live. I have sought to inform myself about the mechanics of agricultural production of commodities which are not grown in the State whence I come, in order that I might assist in seeing that the producers of those commodities received something approximating justice at the hands of their Government in the enactment of farm legislation.

So, Mr. President, I deplore—nay, I resent—the studied effort which has been made to place this amendment upon a

* Matter from * to * substituted July 9, 1942, by 56 Stat. 653, in lieu of "The amount of the marketing quota for each farm shall be the actual production of the farm acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm."

sectional basis, and the remarks which have been made, particularly by the majority leader [Mr. LUCAS], to the effect that only commodities which are produced in the South would benefit from this amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. I did not contact a single Senator from a wheat-producing State before this amendment was offered. In fact, Senators from the largest wheat-producing State of all, Kansas, did not even vote for the amendment. That ought to be proof of the Senator's statement.

Mr. RUSSELL. I am sure the Senator is correct. I may say that I did not discuss the amendment with a single producer or a single Senator from a State which produces cotton, before I joined the Senator from North Dakota in sponsoring this amendment. With regard to the commodities involved in the list of basic commodities, I have always sought to aid producers of those commodities, as well as other farm commodities, where it was practicable to do so, to receive assistance from their Government, to which they were entitled as American citizens.

So I deplore the little snide remarks which are made to the effect that this amendment would benefit only producers of peanuts, tobacco, and cotton. The effort is made even to make it appear, from the statement of the majority leader to the Senator from North Dakota, that the Senator from North Dakota did not know what he was talking about, and that the amendment would not benefit wheat farmers, but would benefit only farmers in Southern States.

I am glad to be associated with the Senator from North Dakota in connection with this amendment. There are a number of Members of this body who are specialists in the field of agriculture. On the occasion when this amendment was previously before the Senate I stated that in my opinion the Senator from New Mexico [Mr. ANDERSON] was one of the best informed men in the United States on all phases of agriculture. I paid sincere tribute to his service as Secretary of Agriculture. But it so happens that the Senator from North Dakota has lived out on the farm. He has operated a plow, and he has followed the reaper and binder. He has operated a tractor with his own hands. He knows something about the practical problems of agriculture from the viewpoint of the man who lives on the farm, rather than from the viewpoint of the agricultural economist who draws a maze of figures upon a chart and from them draws conclusions or formulates theories.

So this is not a sectional amendment. It is not a wheat amendment or a cotton amendment, as the Senator from Vermont [Mr. AIKEN] stated the other day, apparently with the hope that if that impression were instilled in the minds of all Senators the amendment would be defeated. It is an amendment which applies equally to all the basic commodities, wherever they may be produced. It would apply equally to corn, wheat, cot-

ton, and tobacco. Both the amendment and the bill as reported deal exactly the same with tobacco. Tobacco should not have been mentioned in this connection, because the bill reported by the committee provides for tobacco an assured floor of 80 percent of parity. One of the arguments I have made in behalf of this amendment is that we should not give the tobacco farmers special treatment, but that the producers of all the basic commodities are entitled to be treated exactly alike.

Mr. President, as I have said, I have never spoken a sectional word on this floor in dealing with an agricultural subject. However, I wish to discuss some of the reasons why the corn farmers and their representatives have never looked with a great deal of favor upon maintaining a high floor under other agricultural commodities. In the first place, due to the peculiar conditions which existed at the time the original soil conservation legislation was enacted, they receive two or three dollars per acre in benefits for soil conservation, above the amount received by the producers of cotton and tobacco. So they received a great deal more money in the form of payments for soil-conservation practices, for carrying out the same practices as are carried out by the producers of other commodities.

By legislation the producers of corn in the commercial corn area have always had a very distinct preference over the producers of corn in other areas. Corn is produced as widely as any other commodity. It is produced in perhaps more different States and more different sections than any other commodity. In discussing the reason why some of the representatives of producers in the commercial corn areas are opposed to this amendment, it may be said that under every law we have ever enacted on the subject the producer of a bushel of corn in Georgia can receive only 75 percent of whatever loan is given to the producer of a bushel of corn grown in the State of Illinois or the State of Iowa. So there is a very sound reason why it does not make a great deal of difference to them what their level is, so long as they have an advantage over the other corn producers of the United States. They have had it in all the legislation we have enacted on the subject. They have it in this law. When it comes to the matter of equality to the grower of a bushel of corn on the Pacific coast or in the State of Tennessee, he receives as a loan on his bushel of corn only 75 percent of the loan received by the corn farmer in the commercial corn-growing area on a similar bushel of corn. That tends to discourage the production of corn in other areas. It has not been to the interest of the corn growers in the commercial corn-growing area to favor a high loan value for corn, because it would encourage the production of corn elsewhere in the United States, outside the commercial corn-growing area.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. I wonder if the Senator would not agree with me, that the college professors who drew up the parity

formula gave corn an undue break. Because of the new hybrid varieties and the use of fertilizers in large quantities in most of the corn-producing area where there is sufficient moisture, the cost of producing a bushel of corn has been greatly reduced; yet the parity formula reduces the support level only a very little. Where most of the wheat is raised, and where much of the cotton is raised, fertilizers are not widely used. They cannot be.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. The figures to which the Senator refers were worked out by the United States Department of Agriculture, in the Bureau of Agricultural Economics, and not by the professors.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the distinguished Senator from New Mexico, a former Secretary of Agriculture, who will be able to throw considerable light on this subject.

Mr. ANDERSON. I only ask Senators not to refer to parity as being the product of the imagination of college professors. The farmers have fought for parity for a long, long time. It came from their hearts and their own experience. I may not have ridden behind a plow for as many hours as have some other Senators. However, I have driven tractors with my own hands. I believe that parity came from the farmers of the country, and not from college professors.

Mr. RUSSELL. There is no question about that. Parity did come from the farmers; and I am apprehensive about changing the parity formula to which the farmers have become educated over a long period of years. We had a parity formula which the farmers had come to understand. They knew what we were talking about when we spoke about parity. But when we have a parity formula based upon sliding 10-year averages and a great many other elements, the farmers do not understand. Whether the formula was drafted by an economist from the Corn Belt or from elsewhere, it certainly militates against the producers of all of the basic commodities except corn and in favor of the producers of the so-called nonbasic commodities. The corn grower is favored by the new parity formula.

One objection I have to the bill is that it changes the parity formula and puts poor old Reuben to work, after he has finally understood what we were talking about when we spoke of parity. He will be sitting up at night trying to figure out the new formula. He is going to be lost without a great many charts which will not be available to him but were used by the economists who devised the new formula.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. I do not wish to cast any reflection upon the Senator from New Mexico [Mr. ANDERSON], but this is the parity formula which was adopted a year ago. The only change is that we have added labor costs.

Mr. RUSSELL. The Senator is entirely correct. Some of us had some ideas then as to where the parity formula might have come from. I do not have evidence, and I shall make no charge in that connection. But it does favor corn.

The Senator from North Dakota has spoken of another matter to which I wish to advert. I shall endeavor to be very brief in my remarks. Reference has been made to the fact that the parity formula in this bill is identical with that in the Aiken bill, with the exception of adding the cost of hired labor on the farms. I am very grateful that that was done. I think that is a vast improvement over the Aiken bill. But with that exception, Mr. President, the bill now before us is the Aiken bill in a new dress. The calico has been taken off and the gingham has been put on. The base has been raised from 60 percent to 75 percent. But, by and large, the measure now before us is the original Aiken bill. I was opposed to the original Aiken bill, and I am opposed to this bill, because I do not believe either one of them gives a fair deal to the American farmer. I do not believe the American farmer can live and prosper under either one of them. If they are applied, they will fail the American farmer when he stands greatest in need of assistance at the hands of his Government.

Mr. President, with all due deference to the distinguished Senator from Vermont [Mr. AIKEN], let me say that the farmers of this Nation did not like the Aiken bill, and they are not going to like this bill any better. The farmers of the United States are not going to be deceived by any idea that we have given them a great farm bill, a bill providing permanent farm legislation. They may not understand the formula that is provided in this bill; and, frankly, I do not completely understand it myself, and I can certainly sympathize with the farmers who do not understand it. But there is one thing they will understand: They will understand it when they go to seek a commodity loan and find out that it is some 15 percent lower than the loan they have been receiving on their commodities; they will understand it when they go to market their crops, and find that the parity value of their crops is substantially less than it was in the crop year 1949; and they will understand it when they are put under a reduction in production, and are unable to secure 90 percent of parity on their crops.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I wish to point out that the over-all parity value of all farm commodities is exactly the same under the revised parity formula as it is under the old parity formula. The difference simply is that the relationship between commodities varies from year to year. Just because wheat goes down a little in price now and the price of beef goes up, does not mean that 10 years from now that situation will not be reversed, in the event that there then is a heavy surplus of beef and a shortage of wheat. But the over-all parity value of all commodities is exactly the same under the

revised formula as it is under the old formula.

Mr. RUSSELL. I am completely aware of that. I understand that much about the Anderson bill, and I understood that much about the previous Aiken bill. I said then, and I say now, that the trouble with the bill is that some inconsequential commodity such as flaxseed is lumped in with the basic commodities in the determination of parity; and, under such circumstances, if the price of flaxseed were to go up a certain percentage, it would pull up with it the price of cotton and the price of wheat; but if the price of flaxseed were to go down a certain percentage, it would pull down with it the price of such great staple commodities as wheat or cotton or corn. That is why I am opposed to the present bill, because under it when the most insignificant commodity included in the parity formula makes a change in price, it will cause a similar change to be made in the prices of the great commodities on which millions of American farmers depend for their livelihood. I think that is one of the great weaknesses of the proposal now presented to us.

Mr. President, we have had long discussions on farm bills.

Every time we have ever had a farm bill before us, the question has been raised as to why we did not treat all commodities exactly alike and include all of them with the basic commodities. We had that difficulty when the farm bill was first presented to the Congress in the first 100 days of the administration of Franklin D. Roosevelt, in 1933; and a contest then raged in the Congress of the United States as to which commodities should be designated as basic and which should not. After exhaustive study and long debate, the Congress decided that the commodities which historically had had a system of handling under which it was possible to store them and those which could be stored without deterioration or loss in value should be classified as basic commodities; and that has been the standard we have followed all through the years since that time. There is considerable difference between handling or storing a hundred-weight of butter and a bushel of wheat. There is a great deal of difference between handling and storing and marketing some dressed poultry and a bale of cotton. That is the reason why this distinction was made in the first farm bill under the Roosevelt administration, and why the distinction has been continued up to this good day.

The nonbasic commodities, as I pointed out the other day, benefit from this new parity formula, in that their parity values have been increased. The parity values of the basic commodities have been reduced. The failure to adopt this amendment will assure a discrimination against the producers of the basic commodities. That is true without regard to where they are grown.

Mr. President, I do not claim to be a prophet or the son of a prophet, but I think I have some knowledge of conditions on the farms in these United States. In my opinion, this bill will be displeasing to the farmers of this Nation. They

did not like the Aiken bill in its old dress; they are not going to approve of it in this new dress.

On the night of June 17, 1948, when the original Aiken bill was under consideration, I stated on the floor of the Senate that when the farmers of the United States understood what was in that bill, there would be a feeling of resentment against those who had forced it upon them. I made this statement:

If this bill is enacted, I respectfully predict there will be some changes made in our Government. There will be some new Senators here who will be willing to see that the farmers enjoy at least a small modicum of the unparalleled prosperity which is now sweeping the country.

I went into the matter at some length. I predicted then, and I do now, that the farmers would resent it; and I stated that it was not a party proposition at all. I repeat that statement today: It is not a party proposition. The farmers of the United States—indeed, all people who believe in fair play in this Nation—are going to vote for those who they think are willing to give a square deal to the farmer. Any such reduction as the one provided by this measure in the income of farmers, at a time when all other incomes are rising, is not a fair deal for the American farmer.

Mr. President, we have voted to raise the minimum wage to 75 cents an hour. We have voted benefits of one kind or another to almost every group in the United States. I do not see how Senators can in good faith tell the farmers of the United States that they have passed a bill for their relief and benefit, when the bill is certain to reduce the incomes of the farmers of the United States.

The other evening my good friend the Senator from Illinois spoke about economy in the Government, and said that some of those who have been in favor of economy were voting for this amendment. In the first place, Mr. President, no proof has been given that this amendment will cost the people of the United States any money at all, because if marketing quotas are imposed and if production is brought into line with consumption, there will be no great loss under this proposal. All the estimates are speculative and are guesses on the part of Senators as to what the amendment will cost.

But if they involve some expenditure, Mr. President, I say they are fully warranted. We have been in session now since the 3d day of January. We have enacted a great deal of legislation. We have enacted bills which have transferred from the pockets of the American taxpayer to European and other nations some \$7,000,000,000. We have passed bills to increase the salaries of Government employees, of executive officers of the Government, of the Army, and the Navy. We are preparing to increase social-security benefits, in which the farmer cannot share. I venture to say that 99 out of every 100 bills enacted by the Congress will mean an increase in the budget and in Government expenditures in 1950, and in the years to come. Not a single proposition has been advanced

that would reduce the income of any citizen of this country, not even an increased tax bill to take care of the increasing costs, except in the case of the American farmer; and the American farmer is confronted here with a bill that is sure—and no man can deny it—to reduce his income.

Mr. President, the idea that the farmer's income can be increased by letting him produce more as his prices go down simply will not work. I do not see how any person ever could delude himself with the idea that a farmer is better off producing 2,000 bushels of wheat and losing 5 cents a bushel on it than to produce 1,000 bushels of wheat and make 10 cents a bushel on it. It may be the economist's dream. It may be the delight of the college professor to figure out a formula that would let the farmer increase his production and thereby absorb the reduction in his price. But when the farmer reaches the point where he has to sell his commodity for less than it costs to produce it, it is only adding impetus to his slide into bankruptcy to encourage him to produce more at less than the cost of production, with the fallacious idea that it is going to build up his income.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. There have been certain proposals that we extend the guaranty of support to industry, or to certain segments of industry. I should like to point out that the farmer is in a category by himself. He, so to speak, dumps his products in the street and the highest bidder takes them. In the case of automobiles or of almost any other industrial goods, the manufacturers practically set the price. There is no way of controlling the production of tractors, since the factories have set their programs to suit themselves.

Mr. RUSSELL. The Senator is eminently correct. A great deal has been made of the fact that we have lost money on potatoes and on certain other commodities that have been produced in too great an abundance. That all grows out of the war, and is an expense of war. We stepped up the production of all those commodities during the time our great conflict for survival was raging. We encouraged the farmer to produce as much as he could. We gave him every incentive to produce. Certain losses were incurred when the war ended and there was no way to dispose of those commodities. How about the other costs of the war? We poured out—I think I saw the figures somewhere—\$78,000,000,000 or \$79,000,000,000 in building great war plants throughout the Nation. And what did we do? We turned them over at a very low cost to some private industry in many cases; in others they are standing vacant and earning no income whatever. That is a cost of the war which exceeds by a hundredfold any costs that may have been incurred in disposing of the surplus war commodities. We passed special tax measures to give a break to industry, to enable industry to get off the war footing and back onto a civilian footing. It cost the

Treasury of the United States literally billions of dollars. It was proper that we should have assisted those people in getting readjusted in the postwar period. But when it comes to the postwar period for the farmer, we point to practically insignificant losses, considered in the light of the losses that occurred in other fields, and say, "Well, we had the loss, and we have got to cut down the farmer's loan value. We have got to cut down the parity value of his commodity." These small losses were the result of his superefforts during the war. I say it is discriminatory against the farmers of our land.

Mr. President, I do not know as much about the Bible as I should. But I remember the passage which tells us the word went forth from the palace of Shushan that Mordecai, the Jew, must die. Haman built the highest gallows ever constructed, on which Mordecai was to be hanged. It turned out that Haman was hanged on those gallows. I hope my friends who have sent out to the farmers the word that their income must go down are not building a gallows on which they will be hanged in the next election.

It seems some of us never learn anything from the past. It would seem that a slight reference to the votes in the farm States—and I am not talking about the solidly Democratic States; I am talking about the formerly solidly Republican States—would be enough to let the Senate know how the farmers feel about any legislation that is going to set them backward, when we are pushing forward the income of every other group in the Nation.

I hear that all the votes are present to defeat the amendment. Senators are merely sitting here, champing at the bit, to get a chance to vote, so they can come in and slap the amendment down. The opposition say they have all the votes necessary to defeat it. I hope that will not be the case. I hope the amendment eliminating the word "shorn" in front of the word "wool" in the bill as reported by the committee will not shear away the support of those who thought this a pretty good amendment when it was still "shorn wool" in the bill instead of just being "wool," including also slaughterhouse wool. But I urge Senators to consider this matter in their minds and hearts, to determine whether they can possibly justify passing a bill that is designed to reduce the income of the American farmer at a time when every other piece of legislation enacted here is designed to increase the income of some other group. I shall not go into the figures which show that the farmers are not getting rich. I used them recently in the debate. The price of his commodities has gone up, it is true, but it has increased only about half as much as industrial wages have, the wages of those who toll in the factories, and I certainly want them to earn all they can. I realize we should seek to fix the objective of \$300,000,000,000 income for our Nation. If we do not keep our national income high, we shall never be able to handle the gigantic national debt that is saddled upon us. But it is impossible to

keep the income high if we start in with a bill to reduce the income of the farmers. It will set in motion forces that will drag down the whole of the national income. Dry up the farmers' buying power? Senators say it can be done—and then have prosperity in the country. It has never been possible to do it before, and it cannot be done now. The farmer may be put out of business, but when he is, the small-town merchant is put out of business. When the small-town merchant goes out of business, it puts out of business the great industries.

If we reduce the income of the farmer while trying to increase national income we are undertaking a task as impossible as that of old King Canute who tried to beat back the ocean with a broom.

I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I do not know anything about wool, but what is the significance of changing the wool amendment? Does that increase the obligations of the Government in any substantial way?

Mr. RUSSELL. I am not an expert on wool. I understand it brings in slaughterhouse wool and makes it available for loans, which is something which had not been done heretofore.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. It has always been done heretofore.

Mr. RUSSELL. The Senator's original bill did not do it. It took out that category of wool. I am afraid I cannot qualify as an expert on wool.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. FULBRIGHT. What is interesting me is that we added pulled wool and took our mohair. What is the explanation of that change?

Mr. RUSSELL. I am not an expert on that. Perhaps I can answer the Senator's question at some later date.

Mr. President, I hope the Senate will accept this amendment. I do not believe that by the wildest flight of fancy it can cost the Treasury of the United States any substantial part of the estimates which have been made. Certainly, it cannot if the Secretary of Agriculture does his duty.

I want to say another thing, Mr. President. I have heard it rumored that statements had been made that the President of the United States will veto this bill if it is amended as is proposed by the amendment offered by the Senator from North Dakota and myself. I simply do not believe that can possibly be a fact. How on earth could a man be elected President of the United States very largely on the defects of an act, as he appealed to the farmers of the Nation, and veto a bill which is practically a dressed-up replica of it?

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAYLOR. Did the Senator see the statement in the newspapers that the President said he would stay with the Vice President on this bill?

Mr. RUSSELL. No; but it just bears out what I say. I am quite sure the President of the United States, after the appeal made for the farm vote, would not even consider vetoing the bill to keep the farmer nearly as well off as he is today.

Mr. TAYLOR. He could not, after he said that it was what he wanted.

Mr. RUSSELL. I am delighted to hear that, and I appreciate the fact that the Senator has brought it to my attention.

It has been said that the American people are demanding this bill. That is carrying out the old idea that the farmer is a second-class citizen. Is he not among the American people? Is he not a citizen of the United States? He works and produces food and clothing which enable us to live. His sons have always made their full contribution in all the wars in which our Nation has been engaged. He lives close to nature and to nature's God. We never find a farmer in any subversive group. Farmers are good and patriotic American citizens. I believe other citizens of the United States, who are not engaged in agriculture, desire to see the farmers receive the small minimum of justice which this amendment will afford them.

Mr. HUMPHREY. Mr. President, I wish to take a few minutes of the Senate's time to invite the attention of my colleagues to some pertinent material which bears very directly upon the amendment which is before us, and also upon the bill.

I make the categorical statement that this is no time to be cutting price supports. Ninety percent is actually too low for basic commodities. It should be considered the very minimum in the public interest. I think we should look back into history. We can point with abhorrence to the price drop which took place in 1920 and 1921. I invite the attention of the Senate to the price drop which took place in 1920 and 1921. It was actually the beginning of the depression of the 1930's. It was the beginning of the long depression which resulted in collapse in the 1930's.

In the period of 12 months from 1920 to 1921 farm prices were drastically reduced in this great, prosperous America.

I want to point out to my colleagues that from 1920 to 1933 farm mortgage indebtedness increased by \$11,000,000,000 at an average of \$1,000,000,000 a year. Someone had to pay that indebtedness. Let us see on what kind of parity ratio it was paid. In 1920, the last good year the farmers had up until the war years, the parity ratio was 104. That is when the farmer was still receiving \$2 a bushel for his wheat and was still making a little money. Every midwesterner in the Senate knows that in 1921 we were literally ruined. I remember what happened in my own family. I think every man on a farm was literally wiped out of existence by what happened to prices in 1921. I want the advocates of flexible parity to listen to me. Parity was 75 percent in 1921. I ask any farmer in the United States if 1921 did not practically take him to the cleaners. In 1922 it was 80 percent. I ask anyone to consider the mortgage in-

debtedness record of the farmer. He was going more into debt. In 1923 there was an 86-percent parity ratio. The same was true in 1924. I do not know where the farmers were who were supposed to be making a lot of money. Every farmer that our family heard of was going broke in 1924.

How about a little bit later on? How about the only year that was a good year for the farmer, which was 1928? He had 90 percent of parity. The records show that 1928 was the only year when the farmer was able to pay off more on his mortgages than he contracted in mortgages.

Let us go a little bit further. How about 1930? I ask my Republican friends: Was it good in 1930? The parity ratio was then 80 percent—not 75, but 80 percent—5 percent better than the low minimum of the bill which we are considering.

How about 1931, when every farmer in this country was on his back? The parity ratio was 64 percent, 11 points below what is contained in this great bill we are now considering, and which proposes to give us prosperity.

Mr. President, I am amazed to find out that anyone could be against 90 percent of parity. We have had it only twice, and those were the only times the farmer made a dime. Anyone who has any intimate understanding of farm life knows that a farmer cannot live on 80 percent of parity. If that situation is allowed to exist, we are simply saying that farmers are not as good as other people—

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator realize that the economic indicators show that wages in industry have been increased in the Nation, that we are increasing the compensation of Federal Government employees 3 or 3½ percent, and that apparently the Government realizes that wages are up for everyone else in the country, but now we are proposing to cut them down for the farmers.

Mr. HUMPHREY. That is correct. When are the farmers going to get on the black-ink side of the ledger? I think it was in 1941, the first year of the war, when the farmer began to have some "jingle, jangle, jingle" in his pocket instead of having mortgages. He then had a parity ratio of 94 percent. He made money in 1942. Then the parity ratio was 106. Do Senators think he made any money in 1935, when his parity ratio was 84?

Let us for a moment ask ourselves honestly, when the parity ratio was 84, in 1935, were the farmers doing well? The only time the farmer has ever done well was when he got a ratio of 90, not less. This, I think, a study of the economic facts will definitely indicate.

The farmer's best year was in 1946. In 1946 he had a parity ratio of 121, in 1947 he had a ratio of 120, in 1948 of 115, and his parity ratio, as we all know, has gone down considerably this year.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Has the Senator the figures of per capita incomes so as to put the comparison in the Record?

Mr. HUMPHREY. I have, and I shall get to that. Let me point out what has been happening in recent times.

During 1948 farm crops came down 20 percent, and the average of all farm commodities dropped by an unlucky 13 percent. During 1949 the drop has continued. Farm commodities have slid down the old, familiar chute since the start of 1948 by 20 percent. Today the American farmers get \$4 for the very same amount of goods that brought \$5 just a little over a year and a half ago.

Perhaps some think these price declines have happened just to a few commodities which only a few farmers produce. Let no one fool himself.

Let us look at the major basic commodities. Look at wheat, for example. Since the start of 1948, wheat has come down well over one-third—36 percent to be exact. Cotton has come down from the postwar peak by 22 percent and a fifth or a sixth of the drop has come in the last year. Rice is down 36 percent from the early part of 1948, and more than half of that cut has come in the last year. Tobacco, due to various fortunate circumstances, seems to be in better shape, percentage-wise at least. But look at the other great basic commodity, corn. Since the beginning of 1948 corn prices have dropped more than half—52 percent.

Mr. President, that is what price supports do. If the Secretary of Agriculture did not announce price supports, as he has on occasion, when he could announce a 90-percent price support, the prices would go way down. There has been instance after instance where the Secretary of Agriculture has had to announce a price support prematurely in an effort to bolster up the market, as he did recently in connection with some commodities. I recall particularly the case of dried milk. The distinguished senior Senator from Minnesota [Mr. THYE], the junior Senator from Minnesota and the Senator from Wisconsin went to the Department of Agriculture and asked the Secretary to announce a price support for dried and powdered milk in order to stop the drop. The price support was announced at 90 percent.

Do you know how much less the farmer is paying for the goods he must buy? We know the farmer has to plow back into his business of producing a very big share of his cash receipts. He has to buy machinery and fertilizer, milk cans and feed, and many other items, as well as food, clothing, and household goods.

Do my colleagues know how much less he is paying for what he has to buy? While corn has come down 52 percent and wheat 26 percent, and all farm commodities an average of about 20 percent, the prices of goods bought by the farmer have come down very little. Until recently the reduction was about 3 percent, and at present the average stands at about 5 percent. But that is not the whole story. Farmers buy grain and hay and animals from one another, as

well as from dealers, and the reductions in these farm-produced items make up a big share of the small average drop in prices paid by farmers. In other words, if prices farmers pay for farm goods had not come down appreciably the average of prices paid by farmers for all the goods they buy would be down so little it could hardly be noticed.

As we have learned to expect, farm prices are coming down first, much the fastest, and so far much the farthest of all prices.

Thus, the purchasing power of a bushel of corn or a bushel of wheat has dropped very fast. The wheat farmer is getting less than 90 percent of parity. He is getting about 87 percent. The rice grower is getting less than 90 percent of parity. He is getting about 86 percent.

The flue-cured tobacco grower is still getting a little above parity, and the cotton grower is not so bad off so far with 99 percent. But look at the corn producer. The Secretary informed me that as of September 15, 1949, the corn price was 75 percent of parity, because of lack of adjustment in the parity price.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. Who is responsible for making these announcements?

Mr. HUMPHREY. The Secretary is, but he cannot make them day by day, because of fluctuations in the market.

Mr. AIKEN. Why can he not?

Mr. HUMPHREY. That is what he told me. I asked him the same question.

Mr. ANDERSON. The Senator states that the support of corn was set at 75, when the law required him to support it at 90?

Mr. HUMPHREY. That is correct. He said the average was down to 75 percent of parity as of September 15, 1949.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator does not suppose that by any chance the Secretary was refusing to make these adjustments in order to force the Brannan bill through Congress, does he?

Mr. HUMPHREY. I would not care to impugn the motives of the Secretary.

Mr. AIKEN. I would not care to impugn them, but I am a little amazed to hear the Senator from Minnesota say that the Secretary of Agriculture told him that the price of corn was 15 percent out of line due to lack of adjustment, when the Secretary has full power to make the adjustments. It sounds very much like what was done to the farmers last year, when they were penalized several hundred million dollars in income on grain, and were told that the Republicans were responsible for it, and the Republicans sat by and never denied it. This sounds like a little more of that.

Mr. HUMPHREY. I wish to say to the distinguished Senator that the alarm I see on the floor of the Senate now about 75 percent is the same alarm I am voicing. Seventy-five percent is not

high enough, and that is the point, the Secretary should keep it up to 90 percent.

Mr. AIKEN. That is what I wanted to say. I agree with the Senator.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New Mexico.

Mr. ANDERSON. If there is an absolute demand that he support it at 90 percent, and he allows it to go to 75, of what value does the Senator think the Russell-Young amendment will be in forcing him to go to 90 percent?

Mr. HUMPHREY. I am sure the Senator knows that there are times in the market when the market price gets below the parity for a short period of time.

Mr. ANDERSON. Rarely.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I understand the present law fixes parity at 90 percent. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. CAPEHART. The bill the Senator is proposing is a 90-percent parity bill; is that correct?

Mr. HUMPHREY. That is correct.

Mr. CAPEHART. Now the Senator says the price is down to 75 percent.

Mr. HUMPHREY. I said as of September 15.

Mr. CAPEHART. What makes the Senator feel, as the able Senator from New Mexico asked a moment ago, that if the Senate passes the Senator's version, for 90 percent versus the so-called Anderson amendment, the price will go up from 75 back to 90?

Mr. HUMPHREY. The Secretary of Agriculture keeps it at 75, and if we ever set the minimum at 75, he will keep it at 50.

Mr. CAPEHART. If it is 90 percent, it will be 90 percent for another year.

Mr. HUMPHREY. There are often times when there are fluctuations in the price, and there are often times when the Commodity Credit Corporation has to make farm loans. Any man who knows anything about agriculture knows that prices do not remain static. When they fluctuate, the market is bolstered. It has fluctuated on rye, corn, wheat, hogs, and milk, a host of commodities, within the last year.

It is my information that there may be some who are afraid the farmer is getting too rich. If so, let us see how rich the farm people of America are. Last year the average income of all farm people was \$905. That included food grown on the farm and eaten in the farm home. It included income earned off the farm, as well as income from farming. It added up to \$905, compared with \$1,572 for the average person not living on a farm.

I ask the Members of the Senate, when we take \$905, which includes the farm produce the farmer and his family consume on his own farm, and compare it with \$1,572, the average income of a person off the farm, how can we justify a farm-support program of less than 90 percent of parity on the basics?

Farm people are nearly one-fifth of all the people in the United States, and they get a total of less than one-tenth of the

national income. The question I wish to ask is: Shall we cut that some more?

Let us not fool ourselves. If we maintain a mandatory support level of 90 percent of parity for a few commodities called basic, we will not be doing very much to prevent the disparity of either farm prices or farm income. It would be a pitifully small thing to do. We would not be doing anything directly at all for the commodities that make up the greater bulk of farm income—those important products which are not called basic. Of course, it is my considered judgment that we ought to have many more commodities under mandatory price supports, many more. I might point out that those that are under mandatory price support of 90 percent of parity, the basics, do not represent the great bulk of American agriculture.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Does the Senator believe that mandatory support of 90 percent of parity for basics would give those commodities an unfair advantage over the producers of dairy products, poultry, and meat products?

Mr. HUMPHREY. I am not opposing the entire bill that is before us, because the entire bill has within it this discretionary power to the Secretary of Agriculture which permits him to set other price supports for the nonbasic commodities, and those price supports shall be in relationship to the price that the farmer has to pay, and to the supply.

Mr. AIKEN. Does the Senator think that the Secretary would fix the price of those other nonbasic commodities at a high level?

Mr. HUMPHREY. I think he would in order to protect the economy.

Mr. AIKEN. Does the Senator know that the Agricultural Act of 1948 permits the Secretary to fix the support level for any farm commodity at 90 percent of parity?

Mr. HUMPHREY. Yes; I do know that.

Mr. AIKEN. Does the Senator think that if the Secretary would fix the support level up near 90 percent under the proposed law, when it is passed, that he would not also fix it at 90 percent under the Agricultural Act of 1948 in the event that no new legislation is enacted?

Mr. HUMPHREY. Yes; I do. I think he would.

I should like to point out in reference to what we are talking about, that is the basics, which we discussed the other day—and, to be very frank about the matter, the basics do not affect a great part of my portion of the country—that these so-called basics are called basics because of tradition. I think there are many other commodities that are much more basic in agriculture than those we are considering.

Mr. AIKEN. Let me say I agree with the Senator in that statement.

Mr. HUMPHREY. I thank the Senator. We are not even talking about beef cattle, for instance, which account for 17 out of every 100 dollars of American farm income. Beef cattle have dropped in price by about one-fourth in a little over a year. Hogs bring 12 out of every

100 dollars that farmers take in, and hogs are between a fourth and a third lower than a year ago. Milk and butterfat account for 14½ dollars out of every 100 in United States farm receipts; milk has dropped from its postwar peak by 26 percent and butterfat by 33 percent. The prices of wholesale milk and butterfat are down from a year ago by one-fifth.

I wish to commend particularly my senior colleague [Mr. THYE] on the inclusion of milk and butter and butterfat. Milk has dropped 26 percent since the postwar peak and butterfat 33 percent from its postwar peak.

We are not even talking about those important commodities that we have not seen fit to call basic commodities. I am of the opinion that the remainder of the so-called Anderson bill as it pertains to the nonbasics and the rest of the commodities other than what we call basics will, if properly applied by the Secretary and if properly interpreted according to the legislative history made in this debate, possibly suffice.

For example, I should like to see the amendment presented by my senior colleague dealing with hogs, turkeys, eggs, and chickens incorporated, to include those commodities as mandatory commodities. But if I understand the report of the committee, the bill contains what is literally a directive which provides that the Secretary of Agriculture shall support these products in relationship to the cost of other items and the supply. I am willing to accept that verdict of the committee. If we are to have 90 percent of parity for so-called basic commodities, then it is important that we also have an equally high parity for those we call the nonbasic commodities.

There are some things that would be dangerous to our farm economy. Three dollar hogs or \$10 hogs will not break the country. The danger is when eggs go down to 10 cents or 25 cents a dozen. I think 80 cents or \$1 corn, with the present price level, will break the country. I do not think the Commodity Credit Corporation is going to break the country. I will say for the Record right now that for every dollar that the Commodity Credit Corporation has spent up to today, or will spend in the next 10 years, the mortgage losses of the American farmers from 1920 to 1936 will total twice as much. Those losses will double the amount the Commodity Credit Corporation ever spends. The millions of dollars the farmers lost in the banks, that they never could reclaim, and which were lost because of low farm prices, would amount to enough to pay off all the Commodity Credit Corporation can spend from now on for the next 2 years.

Low prices to the farmers is what will break the country, not the few dollars we are going to put out in support of the farm economy.

Mr. President, we saw what happened when the price of cotton was down. We had a depression then. When the price of corn was low we had a depressed market for cattle, for hogs, for sheep, for every commodity that the farmer had.

I submit that the record is crystal clear that the only time the American farmer has ever made one dime, the only time he

has ever been able to buy his wife a new dress, the only time he has ever been able to have a 2-day vacation, is when he had a level of 90 percent parity ratio.

I submit again to those who are critics of our 90 percent proposal and who are advocates of 75 percent of parity, that when in 1921 parity was 75 percent, when in 1934, it was 70 percent, when in 1935 it was 84 percent, what was happening to the country? The only time that anyone on the floor of the Senate can remember the farmer making any money was when the price got up to around 90 percent, and when the price to the farmer is around 90 percent, Mr. Farmer can be a good customer. When the price was below that what was it the farmer needed? He needed the Farm Security Corporation. He needed long range loans, with low rates of interest. He needed all kinds of bank credit. He needed to refinance himself. And generally he ended up in the ash heap. Was that good for anybody?

Mr. President, every depression that has come about has had its beginning on the farm. We are not worried around here over voting a billion dollars for stock-piling minerals. We are going to vote all kinds of money to stock-pile strategic minerals. Why? To defend America. We are willing to vote \$1,300,000,000 to arm western Europe. Why? To defend America. We are willing to vote \$5,300,000,000 for ECA. Why? To defend America. We are willing to vote \$15,000,000,000 for the National Military Establishment. Why? To defend America. But, Mr. President, when someone mentions that we have to spend \$600,000,000 upon one-fifth of the population of the country to defend the Agricultural Belt in America so that the farmers will not go "broke," so that they will have a decent farm income, so that the man who is operating a filling station, and the grocery man will have a customer who can pay his bills, it is said we are going to break the Treasury.

I say that is so much "hogwash." We are not going to break the Treasury. The only time the Treasury is in good condition is when the farmer can buy what he needs and pay for it. The only time the country is prosperous is when the farmer receives a reasonable price for his crops. That is the basic lesson everyone has learned.

I say once and for all that I want any man anywhere to show me wherever a low price ever curtailed farm production. I want somebody to point out the record to me where low prices depleted the acreage or curtailed the production.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Flax is produced in the Senator's State. Will the Senator look at the flax picture for the last 3 years? If so he will have his answer.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I wish to answer the distinguished former Secretary of Agriculture.

Mr. AIKEN. Low prices curtail my farming.

Mr. HUMPHREY. That may be.

Let us look at House Report No. 998, Eighty-first Congress, first session, page 19. I quote:

The shortcomings of a "low price" policy to get production adjustments, the main dependence of title II, can be illustrated by the facts of past experience. Let us choose some examples out of the period before we had national farm programs in operation—a time when the theory should have worked out in practice.

Let's start with potatoes.

That is a familiar old word.

In 1925 the national average price was \$1.70 a bushel. In 1926 farmers planted the same acreage and got \$1.31. The next year they increased their acreage and got \$1.02. The next year they increased again and got 52 cents. In the next year, 1929, they still had 200,000 acres more land in potatoes, the year after the 52-cent price, than they had in the year after the \$1.70 price.

Without even consulting the textbooks, I remember the days when we used to have farm meetings, when all my relatives used to gather in the local opera house. Every farmer would take the pledge. They would say, "We are all going home and cut our production 10 percent. Prices have gone down." The farmers learned that surpluses were killing them and that the real problem of the farmer was the surplus. So all the farmers would take the pledge and say, "We will cut our production 10 percent." They would go home and say, "Hagen is going to cut 10 percent, so we can put in 5 percent more." Everyone was assuming that the other man was going to cut down production, but he never cut production.

I continue reading from the House committee report:

In wheat the experience has also shown that a reduced price does not lower acreage or result in lower production. From 1920 to 1924 the price went down, and it took 3 years to get an appreciable decrease in acreage. From 1925 to 1929 the price went down and acreage went up. From 1929 to 1932, the price went down and there was practically no reduction in total acreage.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If the Senator will look at the low-price years of the 1930's he will find that they were also low-yield years. The years 1933, 1934, and 1935 were very low-yield and low-price years. If price does not affect production—and I know that the Secretary claims it does not—what was the purpose of the Steagall amendment guaranteeing a 90-percent support level for 12 commodities?

Mr. HUMPHREY. High prices affect production, to be sure.

Mr. AIKEN. Does it work only one way?

Mr. HUMPHREY. My point is that the farmer is a natural producer. When he is receiving a dollar a bushel for wheat, and next year it is 75 cents, and it is predicted that it is going to be 75 cents for the following year, he plants just a few more acres. That is the history.

My distinguished friend from New Mexico [Mr. ANDERSON] spoke about flax in Minnesota. The reason a great acreage of flax was planted in Minnesota was

that we had a high support price. We started producing flax during the war.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. THYE. Let me assist the junior Senator from Minnesota. Prior to the war, Minnesota was one of the greatest flax-producing States in the Union. Redwood County, in the midsection of the western part of the State, was one of the greatest flax-producing counties in the United States.

Mr. HUMPHREY. That is correct.

Mr. THYE. Our flax paper was one of the reasons which brought the cigarette paper industry from France to North Carolina. That resulted from the steady volume of flax tow which could be obtained in Minnesota.

Mr. HUMPHREY. That is correct.

Mr. THYE. We had an outlet not only in the central part of the State, but all over the State, for flax straw and tow, to be sent to North Carolina.

I want the junior Senator from Minnesota to pay tribute to Minnesota. Long before price supports or incentive payments, Minnesota was leading the other States of the Union in the production of flax. California crowded us after the incentive payments under the Steagall amendments came into existence.

Mr. HUMPHREY. I am very grateful for the help of my colleague. I am not intimating that Minnesota was not a great flax-producing State. I wish, however, to point out that during the war, with the added implementation of price support, we had increased production of flax. Since the war we have had some acreage reduction.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Will the Senator enlighten us as to why the Secretary of Agriculture has fixed a support price for flax next year at 60 percent of parity, when he had authority to fix it at 90 percent?

Mr. HUMPHREY. Because we had some overproduction.

Mr. AIKEN. What effect will the 60 percent have on overproduction?

Mr. HUMPHREY. I do not know; nor do I think the Secretary knows.

The junior Senator from Minnesota does not claim to be an expert, but would like the distinguished members of the Committee on Agriculture and Forestry to bring to the attention of the Senate any facts which will show that over a long period of time a lower price has resulted in reduced acreage. I want them to prove their thesis, not by flatly asking questions, but by producing evidence on the floor of the Senate that a flexible parity will reduce acreage, and thereby reduce production. Then let them produce evidence to show that a reduced acreage will result in a reduced production. There may be a new kind of seed that will expand production. The program of parity is based upon the concept that a reduced parity ratio will result in reduced production. I submit that we have no guaranty of it. It is a hope. It is a theory. I also submit that such a reduced formula may actually

cost the Government more. The 75-percent rate may be applied to more bushels or more pounds.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. What does the Senator have to say about the Democratic Party platform in this connection?

Mr. HUMPHREY. The Senator from Minnesota will conclude by saying that so far as he knows, the Democratic Party promised a 90-percent program. Unless we live up to it, we misled the farmers of the Midwest.

Mr. KERR. Mr. President, I think the Senate is not only going to vote on a proposal for 90 percent of parity for certain basic farm commodities, but also on a proposal for 90 percent of parity as the foundation for the prosperity of the Nation.

The record shows that the farm population is about 20 percent of the population of the country, but that the farmers have only about one-seventh of the national income. The record further shows that the workers of the country have no more income than the farmers. When farm income was \$3,000,000,000 a year in the early 1930's, the income of workers was \$5,000,000,000 a year. Last year farm income was about \$30,000,000,000. The income of the workers was about \$30,000,000,000.

A few days ago the President of the United States said that he looked forward to the day when this country would have a national income of \$300,000,000,000 a year. We all hope for that day. If that day is to be, and if the future can be judged by the past, it can only be when the farm income amounts to one-seventh of \$300,000,000,000 a year. So I say that we are not only voting with reference to the farm program, we are voting with reference to the prosperity of the country.

We hear a good deal of talk about a recession. We had one the month following the decline in the prices paid to the farmers for their products. If the workers can have full employment at good wages, and if the farmers can have reasonable production at good prices, we cannot have a depression. But I say further that unless the workers have good wages and full employment, and the farmers have good prices for reasonably full production, we cannot have prosperity. On the basis of the record, if the workers cannot receive as much per annum as the farmers, when we are talking about removing price supports from the products of the farm we are talking about removing support from under the amount of wages paid to the workers. The farmers buy 30 percent of the manufactured products of the country. They buy 30 percent of the automobiles. They buy 30 percent of all the motor vehicles. They buy 30 percent of the industrial output of the Nation.

We have had 90 percent of parity without bankruptcy. In fact, instead of encouraging or producing bankruptcy, it has written a guaranty under national prosperity. When we remove that foundation from under the farm income

of the country, we are removing the foundation of prosperity.

I not only ran on a program of 90 percent of parity, with adequate controls, but I am going to vote on the basis of 90 percent of parity for basic commodities, with adequate controls. Giving proper concern to the over-all prosperity of the Nation, I see no way that we can do otherwise than approve this amendment.

Mr. GEORGE. Mr. President, I had expected to say something on this subject, but other official duties have prevented me from doing so.

I do not wish to discuss the matter at any length whatsoever, but I do wish to emphasize what the distinguished Senator from Oklahoma (Mr. KERR) has just said. The question here is not whether we are going to support prices at a given level in order to secure reasonable prosperity for the farmer, but the question is whether we are going to maintain the prosperity of the Nation. In order to meet the commitments this country already has made, we must have a national income or national productivity of above \$250,000,000,000, constantly rising toward \$300,000,000,000 a year. How can that be done if we reduce the income of all the farmers, particularly the income of the farmers who are producing the basic crops?

It will be said at once that we are simply going to add to the burdens on the United States Treasury and on all the taxpayers. To that statement I say, very well, let us face the fact squarely. If we reduce the price of the farmers' products, we shift the burden onto the shoulders of agriculture. Those who vote to do so, wish to put the burden on the farmers. When they do that, they start the downward process toward another depression in the United States. It is infinitely better to permit all the taxpayers to shoulder the losses which may be occasioned by a farm program such as the one here proposed for the basic crops, than it is to put that burden on the shoulders of the American producers of those crops.

Senators may figure it out as they please. I have been amazed to hear so much discussion of statistics and of parity and what it is and what it is not, and to hear various statistics presented in regard to various crops.

Mr. President, this is not a problem which can be resolved on the basis of statistics gathered in any department in Washington. It is resolved back on the farms in the country. What happens? Almost all of us are farmers or are one or two degrees removed from the farm. We know that with declining farm prices for the basic commodities, the equity will go out of everything the farmers have. In a declining market for basic commodities, farm machinery, which has not greatly declined in price, will become almost worthless within 2 or 3 years. It will lose one-third of its value the first year.

Mr. President, that is not all. What else will happen? The moment there is inaugurated a program which will assure declining prices for the basic farm commodities, the equity will go out of the land itself. In that event, land which

had been worth something, which was worth something on the tax books, which paid revenues to the States and counties throughout the Nation, will depreciate in value; the revenues of the local governments will decline; and with declining revenues will come greater burdens upon the local governments, both county and State.

What broke the farmer in 1920 and 1921 was not alone the initial shock of low prices, starvation prices for his products; it was that every bit of the equity in his farm, in his machinery, in his equipment—all of it—disappeared almost overnight.

The Senator from Minnesota is entirely correct when he says that those who vote for this bill will increase the farm mortgages in the United States, when a reduction thus begins in the prices of the basic agricultural products of the Nation. Those who vote for this bill will increase the burden upon the farmer himself, and he will have to shoulder it.

We can never have a national income of above \$250,000,000,000 a year unless the farmers are prosperous. We cannot meet the commitments which already have been made unless we can have a national income climbing from \$250,000,000,000 up toward \$300,000,000,000 a year.

That is the matter as I see it. Statistics make no appeal to me. I definitely understand that in certain years and under some conditions, the burden upon the Treasury may be increased. But, Mr. President, we must carry that burden on the shoulders of all the taxpayers, or else we shall have to shift it again, as was done after World War I, to the shoulders of the farmer; and if that is done, it will break him and will destroy his economy and will destroy the value of his holdings and will send him out into the world as a hopeless man struggling against great odds.

Mr. President, today the odds have increased. Wages have risen. The prices of all manufactured and fabricated goods have risen. Not only that, but by our laws we have frozen those prices far beyond the reach of the farmer, unless he can get 90 percent of parity, and more, for his products.

That is the condition we face. We have the choice between a prosperous nation or a nation which finally will suffer all the ills and pangs and hardships of another depression. We have the choice between having all the taxpayers share a necessary burden, whenever it is necessary for that burden to be borne, or putting all of it back on the shoulders of the American farmer. Mr. President, I do not intend by my vote to do that. As a taxpayer, I prefer—because I know it will be better for me—that the American taxpayers share that burden with the farmer.

If our economy and our whole system will not permit the farmer to prosper reasonably, then there is something radically wrong with it. If our system of economy will not support a price of 90 percent of parity, not for all crops, but for the basic crops, there is something definitely wrong with it. Either all the

people of the Nation must bear a part of the burden, or it must be shifted back to the shoulders of the farmers alone.

Mr. THYE, Mr. CAPEHART, and Mr. MORSE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. I have yielded the floor.

The VICE PRESIDENT. The Senator from Minnesota is recognized.

Mr. THYE. Mr. President, there are very few men whose acquaintance I have made in recent years for whom I have a greater admiration and respect than the senior Senator from Georgia. I do not rise for the purpose of being critical, but to ask whether, in view of the soil-conservation needs of the Nation, the Senator does not concur and agree with me that dairy products, pork, beef, poultry, eggs, and turkeys should have the same specific protection as the basic commodities to which the Senator referred, namely, corn, cotton, wheat, peanuts, rice, and tobacco?

I share the same feeling for the farmer that the Senator has for him. I have been a tiller of the soil from boyhood. Even when other children were at school, I was stumbling along back of a two-horse drag, barefooted, skinning my toes because the reins were too short to allow me to get far enough back of the drag. I have a very sincere feeling for the farmer.

I want a program, too, that is basically sound. If there is anything wrong in agreeing to the amendment to which I referred recently, and that I offered, which included beef, poultry, eggs, and turkeys, I want to be put right. I put the question to the distinguished Senator from Georgia, because of my great admiration for his judgment.

Mr. GEORGE. I answer the Senator unhesitatingly there is no reason why those commodities and products should not be supported at the proper price. I am not so familiar with the products and their production as I am with certain of the other basic crops. Ninety percent may be right for those products also, but they certainly should have an adequate support price.

I am anxious to observe the program. Some of my good friends among farm leaders, have made this appeal to me: "Let us save the program." My answer has been, "If the program is not going to be worth anything to the American farmer, I am not tremendously concerned with what becomes of it." But I do believe in the program. I unhesitatingly answer the Senator by stating there should be an adequate price support under those products; and so far as I know, 90 percent is a fair basis.

Mr. THYE. I am grateful and thankful to the senior Senator from Georgia for agreeing with me, because there is no farm operation that lends itself to soil building and to the family type of farm operation more than does dairying, poultry raising, or livestock production. For that reason, when the vote has been taken, if the 90 percent prevails, so that we know that the six basic agricultural

commodities will have a first lien upon the funds with which the Commodity Credit Corporation supports prices, and if the six basic agricultural commodities are to have a first mortgage on that money, then I pray that Senators will agree with me and will tie into the basic agricultural commodities dairy products, beef, pork, poultry, eggs, and turkeys, in order that we may protect the family-sized type of farm upon which the agricultural stability of the United States has been so ably built.

Mr. CAPEHART. Mr. President, I shall only take about 2 minutes. I suspect, if a stranger came onto the floor and listened to the debate for the past few days, he would come to the conclusion that we had had no price-support program, or, if we had, that it was something other than 90 percent. The facts are we have had a 90-percent price support for many years under existing law. The law which was passed last year does not go into effect until January 1 of next year, if at all. Therefore we have had a 90-percent support. Price of farm products at the moment are what they are as a result of the existing law.

I am a farmer. I have been a farmer all my life. I doubt whether there is a Senator on the floor who is closer to farming than I am. I can tell exactly what it will cost to grow the things I grow on my farm. I can tell how much it costs to operate an acre of land. When I hear of this "bushwa" or hogwash, as the able junior Senator from Minnesota referred to it a while ago, I agree with him it is hogwash when a Senator rises on the floor of the Senate to talk about a farmer never being able to buy his wife a dress, and tries to make out that the farmers of the Nation are poor. They are not poor. They are doing well, and they will continue to do well. I do not think there is a single Senator who will ever permit the farmers to get into the condition they once were in in this Nation.

The big problem is that of surpluses. I shall vote for the Anderson bill in an effort to control surpluses. It may not work. In any event, 90-percent parity is guaranteed for one year, under the Anderson bill. The flexible parity does not take effect for a year.

The whole farm problem is one of surpluses. Are we going to try to solve the problem, or are we forever going to continue on the basis of creating greater and greater surpluses? Notwithstanding what the able Senator from Georgia said a moment ago, it may well bankrupt the Nation some day. The farmers in my State, if I can believe the president of the Farm Bureau in Indiana—and we have a good Farm Bureau in Indiana, which is most active—are in favor of the flexible price support. They are farmers. They deal in farm products. They should know what they are talking about. I prefer to follow them rather than some of those on the floor of the United States Senate who possibly have not had as much experience in farming as has the Farm Bureau.

I wish to read a telegram I have received from Hassil E. Schenck, president of the Indiana Farm Bureau, Inc., as follows:

INDIANAPOLIS, IND., October 6, 1949.
HON. HOMER E. CAPEHART,
Senate Office Building:

Deeply appreciate your votes Monday night on farm bill and recommitment. Our defeat on farm bill was due to too many absentees. Understand it will come out for vote again next Monday. If in contact with Senator JENNER insist on his presence or pairing with someone. If possible I shall get in touch with him by phone today.

HASSIL E. SCHENCK,
President, Indiana Farm Bureau, Inc.

I likewise received a night letter from Allan B. Kline, president of the American Farm Bureau Federation, which I wish to read, as follows:

WASHINGTON, D. C., October 6, 1949.
HON. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

On behalf of the American Farm Bureau Federation, I congratulate you on your statesmanlike action in opposing the Young-Russell amendment on the critical votes Monday evening. Your vote opposing rigid 90-percent supports indicates your appreciation of the fact that this sort of legislation is the best way to discredit the farm program. We urge that you continue to exert your full influence in support of maintaining and developing a constructive, workable, permanent farm program in this session.

ALLAN B. KLINE,
President, American Farm Bureau Federation.

I understand Mr. Kline to mean, when he speaks of a workable, permanent farm program, a program which will at least have for its purpose the elimination of the causes of low farm prices.

For the reasons stated, I shall vote for the Anderson bill, in the hope that some day, somehow, we shall be able to solve the problem. The bill is at least an effort toward that end.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield to the Senator from Missouri.

Mr. DONNELL. I have been greatly interested in the Senator's reference to surpluses. I voted against the Young-Russell amendment a few days ago. I should like to ask the Senator a question, however, and I hope I may have his answer to it. Under the Young-Russell amendment the level of support is to be 90 percent of parity, but it goes further and refers to a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect. The question I should like the Senator to answer, if he will, is how can surpluses grow by the imposition of the 90-percent level of support when that level of support is applicable only in cases in which marketing quotas or acreage allotments, which I understand are designed to hold down surpluses, are in effect?

Mr. CAPEHART. There are probably other Senators who are better qualified to answer that question than I am. I should like the able Senator from New Mexico to answer it, and then I shall be glad to give my opinion.

Mr. ANDERSON. Even if acreage allotments on cotton are in effect next

year, we will start off with approximately 8,000,000 bales of cotton, and we shall probably add to that amount if acreage allotments are in effect next year. Acreage allocations were made with respect to potatoes, and there was a tremendous potato crop. We have never in the history of the country been able to have a successful acreage allotment as to corn, and we have not even tried to have marketing quotas. Wheat acreage allotments have failed, year after year, even though we tried our very best.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. I should like to yield, first, to the Senator from Vermont.

Mr. AIKEN. Mr. President, the only way in which overproduction can be held down is by the very strictest of controls over farm operations. As the Senator from New Mexico has said, every time a farmer's acreage is restricted he finds a way to produce more to the acre than the Government anticipated. That has been proved conclusively in the case of potatoes.

In this general question of controls not only are acreage allotments and quotas involved, but there are very strict penalties. A farmer can be fined half the value of his crop if he produces more than his allotment. If we want to keep the kind of Government we say we want to keep, we cannot place the farmer in a strait-jacket, because it will lead to placing everyone else in the same situation.

Mr. CAPEHART. Mr. President, I shall try to answer the Senator from Missouri as it appeals to me as a farmer. Under the amendment offered by the able Senators from North Dakota and Georgia, we can control the situation by quotas and allocations. In other words, the Government can say to me, as a farmer, "You can grow X number of acres and can sell X number of bushels of corn." Control may be had in that way. As a farmer, I want to avoid that in this country, if it is humanly possible to do so.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. I shall be glad to yield in a moment.

I am perfectly willing to experiment with flexible price supports if I can avoid having the Government say to me, "You can cultivate X number of acres and raise X number of bushels of corn." I want to avoid that. That is what the farmers in Indiana want to avoid, and that is why the farm bureau in my State has taken the position which it has announced. That is our feeling in Indiana. I am now very happy to yield to the Senator from Mississippi.

Mr. EASTLAND. Mr. President, the Senator has stated that surpluses can be controlled by acreage allotments and quotas. Does not the Senator know that at the beginning of the war acreage allotments had been in effect for a number of years, and yet at that time we had on hand the largest surplus of cotton, the largest surplus of wheat, and the largest surplus of corn we had ever had in the history of the Nation?

Mr. CAPEHART. Yes; because it did not work. My point is that the Congress could pass a law with enough teeth in it

absolutely to control acreage and the number of bushels of corn a farmer can produce.

Mr. EASTLAND. Is it not a fact that the weather controls production more than do acreage allotments?

Mr. CAPEHART. I was handed a day or two ago a slip reducing the wheat acreage which I can sow this fall. I am going to comply. As the Senator has said, the weather may help me to reduce the size of the crop, or, again, the weather may be excellent, and I may raise more on the reduced acreage than I raised this year.

Mr. EASTLAND. The Senator says production can be controlled by quotas. As a result of quotas we have piled up the largest farm surpluses in the history of the country.

Mr. CAPEHART. My point is that Congress, if it wanted to, could pass a law with sufficient teeth in it absolutely to deny me the right to market each year more than X number of bushels of corn, soybeans, and wheat.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DONNELL. As I understand the Senator from Vermont—and I want him to correct me if I am in error—he took the view that acreage allotments will not prevent surpluses, that they will simply serve to increase the amount of production and thus produce a surplus.

Mr. AIKEN. That has been proved conclusively in the case of potatoes. Since 1943 potato growers have each year planted less acreage than was recommended by the Department of Agriculture, and yet they have produced more potatoes.

Mr. DONNELL. Is that true in the case of corn and wheat?

Mr. CAPEHART. It is possibly true. There is no question that a farmer can reduce his acreage and, by better farming methods and the use of more fertilizer, can grow more per acre, provided there is good weather.

Mr. EASTLAND. And by the selection of the most fertile land.

If the Senator will yield further, I should like to invite his attention to the fact that the State of Mississippi reduced its cotton acreage practically 40 percent and increased its production 90 percent.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG. Potatoes are usually raised in wet areas where fertilizer can be used in large quantities. Most of our wheat is raised in dry areas where fertilizer cannot be used except in a few cases. The reason why we have accumulate large surpluses is because of imports. In the 4 years previous to 1940 we actually imported more wheat than we exported.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MORSE. I wonder if the Senator from Indiana agrees with me that the answer to the very able speeches made this afternoon by the proponents of this amendment is to be found in the statement that they show a surprising lack of confidence in the Secretary of Agri-

culture, because, under the Anderson bill, with all the dire predictions as to what might happen if the farmers actually start to develop, the Secretary of Agriculture has the power to raise the parity to the very 90 percent they want adopted as a blanket mandatory parity for a certain selected segment of agriculture, to the discrimination of other segments.

Mr. CAPEHART. The able Senator is 100 percent correct.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DONNELL. Am I correct in my interpretation of the Young-Russell amendment, that the 90-percent level of the support is applicable only to a crop of a basic agricultural commodity for which marketing quotas or acreage allotments are in effect, and that the level of support of 90 percent does not apply to any previously piled up surpluses which were accumulated during the period in which neither marketing quotas nor acreage allotments were in effect?

Mr. CAPEHART. I am certain the Senator is correct.

Mr. DONNELL. Let me ask another question. I have been greatly interested in what the distinguished Senator from Indiana, the distinguished Senator from Vermont, and the distinguished Senator from Mississippi have stated, particularly on this point, and I want to be sure whether I get the idea of the Senator from Indiana correctly.

Does he think that the imposition of an acreage allotment need not and will not necessarily be accompanied by a prevention of the creation of a surplus? Let me also ask him in that connection whether or not he thinks, in connection with the corn crop, if an acreage allotment is imposed, it will necessarily result in holding down the production, or does he think that by the use of additional fertilizer and more skillful methods of handling the land a surplus may develop, notwithstanding the acreage allotment?

Mr. CAPEHART. Mr. President, my answer could be "Yes" or "No." I am frank to say that I do not know, because I see both sides. I am a farmer. I know what a farmer can do with less acreage. Therefore I doubt if we have handled the surplus situation as yet, but I think we should continue to make an effort to find a way to handle surpluses, because that is the cause of low farm prices, and it is why I prefer the Anderson bill at this time to any other bill.

Mr. DONNELL. May I, with the Senator's permission, ask the Senator from Vermont to give his judgment as to whether or not an acreage allotment applied to corn would prevent the building up of a surplus?

Mr. CAPEHART. I am happy to have the Senator from Vermont answer.

Mr. AIKEN. It would have that effect; but, as has been stated, the crop depends on the weather to a considerable extent, and that cannot be predicted. Therefore in fixing the acreage allotment the Secretary would naturally make the allotment large enough so that we would be sure to have sufficient of a given crop. Then, if we had an exceptionally good

year, like 1948 or 1949, we would get too much.

One thing I should like to point out to the Senator from Missouri is that when, through allotments and quotas, it is necessary to take land out of production of a particular crop, it is necessary to be sure that that land does not immediately go into the production of another crop which will create a burdensome surplus of that crop. If we start depending upon controls, there is no ending the controls until we control all the land, and in fact the Secretary has asked for such authority in the so-called Brannan plan, under which he would force the farmer to comply with minimum and sound soil conservation practices in order to qualify for price supports.

I am primarily for flexible supports in order to hold down controls and penalties over the farmers, because I think we must keep democracy free.

Mr. DONNELL. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I am happy to yield for a further question.

Mr. DONNELL. Does the Senator think that with the 90-percent provision, even though accompanied by an acreage allotment and not to go into effect unless there be a marketing quota or acreage allotment, we might lead farmers to cultivate their land so intensively or to cultivate it over a period of years with the same crop, that it would result in the depletion of the value of the land?

Mr. CAPEHART. It might very well do so.

Mr. LANGER. Mr. President, I wish to make my position clear. I am going to support the Young-Russell amendment. I have not spoken in favor of it because, as I conceive it, parity means justice. I do not believe in 60 percent of justice for the farmer, or 70 percent, or 80 percent, or 90 percent, but I believe in 100 percent justice for him. Therefore I am in favor of the Brannan plan, which, as I conceive it, is the very best possible plan not only for the farmers who raise wheat, but also for those who raise the other basic commodities. I wish to make my position plain that I am supporting my colleague from North Dakota, but in my judgment he does not go far enough.

Mr. LUCAS. Mr. President, just one moment before we vote. Much has been said in the debates about 90 percent parity and flexible price supports, and what the Democratic platform had to say about that in Philadelphia, I think the Senate should know. Here it is:

We pledge our efforts to maintain continued farm prosperity, improvement of the standard of living and the working condition of the farmer, and to preserve the family-size farm.

Specifically, we favor a permanent system of flexible price supports for agricultural products, to maintain farm income on a parity with farm operating costs—

And so forth. Mr. President, that is the platform about which we have heard much from the distinguished President of the United States during this session of Congress. Democrats have been talking about carrying out the platform

which was laid down at the Philadelphia convention, and as one United States Senator in the campaign last year, the Senator from Illinois, took the position that we meant what we said in that platform with respect to flexible price supports in the program of parity prices paid to the farmers.

I wanted to make this statement because so much has been said about those who campaigned on a 90-percent basis. I do not know what happened in other States, but so far as Illinois was concerned, I followed the platform. I was a member of the Committee on Resolutions which wrote this platform, and it was acceptable to the President of the United States before it was adopted at the Philadelphia convention.

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I received from Allan B. Kline, president of the American Farm Bureau Federation.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., October 6, 1949.

HON. HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.:

On behalf of the American Farm Bureau Federation, I congratulate you on your statesmanlike action in opposing the Young-Russell amendment on the critical votes Monday evening. Your vote opposing rigid 90-percent supports indicates your appreciation of the fact that this sort of legislation is the best way to discredit the farm program. We urge that you continue to exert your full influence in support of maintaining and developing a constructive, workable, permanent farm program in this session.

ALLAN B. KLINE,
President, American Farm Bureau
Federation.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. Young] and the Senator from Georgia [Mr. Russell]. The yeas and nays have been ordered on the amendment. As many as favor the amendment will answer "yea" as their names are called. Those opposed will answer "nay." The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUTLER (when his name was called). On this vote I have a pair with the senior Senator from New York [Mr. Dulles]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. CHAPMAN (when his name was called). On this vote I have a pair with my colleague the junior Senator from Kentucky [Mr. Withers]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. McKellar (when his name was called). On this vote I have a pair with the senior Senator from Louisiana [Mr. Ellender]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. McCarthy (when his name was called). On this vote I have a pair with the senior Senator from Ohio [Mr. Taft]. If he were present, he would vote "nay."

If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. KEFAUVER (when his name was called). On this vote I have a pair with the junior Senator from Iowa [Mr. GILLETTE]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote. The roll call was concluded.

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FEAR], the Senator from Nevada [Mr. MCCARRAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Iowa [Mr. GILLETTE] is absent because of illness.

The Senator from Kentucky [Mr. WITHERS] is absent on public business.

On this vote the Senator from Alabama [Mr. SPARKMAN], who would vote "yea" if present, is paired with the Senator from Vermont [Mr. FLANDERS], who would vote "nay" if present.

I announce also that on this vote the Senator from California [Mr. DOWNEY], who is detained on official business, is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from California would vote "yea," and the Senator from Maryland would vote "nay."

I announce further that on this vote the Senator from Florida [Mr. PEPPER], who is detained on official business, is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Florida would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. BRICKER] is absent on official business with leave of the Senate. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "nay."

The Senator from New York [Mr. DULLES] is absent by leave of the Senate, and his pair has been previously announced by the Senator from Nebraska [Mr. BUTLER].

The Senator from Vermont [Mr. FLANDERS], who is absent on official business with leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont would vote "nay," and the Senator from Alabama would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present and voting, the Senator from New Hampshire would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES], who is absent because of illness, is paired with the Senator from Florida [Mr. PEPPER]. If present and

voting, the Senator from New Hampshire would vote "nay," and the Senator from Florida would vote "yea."

The Senator from Indiana [Mr. JENNER] is absent on official business.

The Senator from Ohio [Mr. TAFT] is necessarily absent, and his pair has been previously announced by the Senator from Wisconsin [Mr. McCARTHY].

The result was announced—yeas 26, nays 45, as follows:

YEAS—26

Connally	Kerr	Neely
Eaton	Langer	Russell
Fulbright	Long	Stennis
George	McClellan	Taylor
Gurney	McFarland	Thomas, Okla.
Hill	Malone	Wherry
Humphrey	Maybank	Wiley
Johnson, Tex.	Mundt	Young
Johnston, S. C.	Murray	

NAYS—45

Aiken	Hendrickson	Martin
Anderson	Hickenlooper	Miller
Baldwin	Hoey	Millikin
Byrd	Holland	Morse
Cain	Hunt	Myers
Capehart	Ives	O'Connor
Chavez	Johnson, Colo.	O'Mahoney
Cordon	Kem	Robertson
Donnell	Kilgore	Saltonstall
Douglas	Knowland	Schoeppel
Eastland	Leahy	Smith, Maine
Ferguson	Lodge	Thomas, Utah
Graham	Lucas	Thye
Green	McMahon	Watkins
Hayden	Magnuson	Williams

NOT VOTING—25

Brewster	Fear	Smith, N. J.
Bricker	Gillette	Sparkman
Bridges	Jenner	Taft
Butler	Kefauver	Tobey
Chapman	McCarran	Tydings
Downey	McCarthy	Vandenberg
Dulles	McKellar	Withers
Ellender	Pepper	
Flanders	Reed	

So the amendment offered by Mr. Young for himself and Mr. RUSSELL was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. ANDERSON. I move that the vote by which the amendment was rejected be reconsidered.

Mr. BYRD. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia to lay on the table the motion to reconsider.

The motion was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a conference report on House bill 3838, the Interior Department Appropriations bill, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings for October 5, 1949, pp. 14242-14243.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on

certain amendments of the Senate to House bill 3838, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

October 6, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6, 17, 20, 38, 46, 47, 50, 63, 66, 83, 108, 109, 125, 128, 130, 131, 132, 133, 134, 144, 148, 156, 162, 164, 166, 172, 174, and 189 to the bill (H. R. 3838) entitled "An act making appropriations for the Department of Interior for the fiscal year ending June 30, 1950, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 11 to said bill and concur therein with an amendment as follows: In line 2 thereof, following "exceeding," in lieu of the figure "8" insert "12."

That the House recede from its disagreement to the amendment of the Senate numbered 64 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following: "Provided further, That funds appropriated for the Bureau of Reclamation shall be available for expenditure through the facilities of the National Park Service in amounts of not to exceed \$25,000 for any one reservoir area for studies of recreational areas and planning for their utilization, and funds so expended shall not be reimbursable or returnable under the reclamation law."

That the House recede from its disagreement to the amendment of the Senate numbered 67 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"Santa Barbara County project, California, Cachuma Unit, \$5,185,000: *Provided*, That none of the funds appropriated herein shall be available for construction of physical works or the acquisition of rights-of-way until the condition contained in the contract between the United States and the Santa Barbara County Water Agency, executed September 12, 1949, concerning participation by member districts shall have been met, and the outcome of elections within the member districts shall have been favorable in sufficient member districts to approve the disposition of the quantity of water as provided in said contract to make the same effective."

That the House recede from its disagreement to the amendment of the Senate numbered 80 to said bill and concur therein with an amendment as follows: In lieu of the language proposed by said amendment insert the following: "and not to exceed \$100,000 shall be available for emergency reconstruction of the northwest unit pipe line of the Grants Pass irrigation district."

That the House recede from its disagreement to the amendment of the Senate numbered 115 to said bill and concur therein with an amendment as follows: In lieu of the amount of "\$2,975,700" named in said amendment insert "\$975,700."

That the House recede from its disagreement to the amendment of the Senate numbered 119 to said bill and concur therein with an amendment as follows: In lieu of the amount of "\$794,699.93" named in line 2 thereof insert "\$784,699.93," and in lieu of the amount of "\$186,195.93" named after "Klewit Son's Company", in line 9 thereof insert "\$186,195.33."

That the House recede from its disagreement to the amendment of the Senate numbered 135 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following:

"Not exceeding 12 per centum of the construction appropriation for the Bureau of Reclamation for any project contained in

of lessees) is an insult to the Indians for whom it is paid and is wholly inadequate for the Indians' part in the support of education. The Indians have cast their lots with the whites and have been accepted. If the educational and economic system under which they live breaks down, they suffer equally with the whites, or even more, because it is difficult for them to maintain their self-respect or that of their white neighbors for them when they are powerless to bear their part of the burden, and their sponsor fails to do it for them.

The Indian Bureau is not now, and never has been, a political issue. It has been repeatedly condemned by leaders of both great parties, but has also been supported by both with ever-increasing appropriations in spite of the merging of the Indians into the white community. The Indian Bureau is costing many times as much now as it did when the Indians really needed it. If the Bureau had been supported in a decreasing ratio as Indian need for it declined, the Indians, except for a few unfortunate residues, would be independent and contributing citizens now. But the Indian Bureau is not concerned so much with residue groups as with those who have funds and property which it can control to its own support.

In 1945, after the Indian Bureau had just finished spending over \$500,000,000 in the preceding 10 years, Assistant Commissioner Zimmerman made an extraordinary admission. When he was asked by a committee of Congress why he wanted such great increases in funds and what he had accomplished with former appropriations, he answered that during the past 10 or 15 years the Indian Bureau had probably touched with benefit a possible one-sixth of the Indians, but he said that there were many thousands of them still living on the very lowest level of economic existence that had not been touched. Evidently, the Bureau must have spent its money on the upper strata if it had not been able to reach the lower. Only 2 years before Mr. Collier, also asking for increased funds, had told Congress that most Indians managed to make their own living without help from the Federal Government except such as it rendered to its citizens in general. We are forced to the conclusion, therefore, that the Indian Bureau spends its money on the able Indians rather than upon those "living on the very lowest economic level."

It is interesting to note that William Zimmerman, the Acting Commissioner and now Assistant Commissioner of Indian Affairs, on February 8, 1947, in his testimony before the Senate Committee on Civil Service, recommended that a group of 10 Indian tribes were then ready for freedom from the Indian Bureau and 19 Indian tribes would be ready to be released from Federal supervision 10 years from that time—February 8, 1947. None has been released, yet the Indian Bureau now comes asking that Congress appropriate millions of dollars for the rehabilitation of some of these same tribes.

It is a tragic fact that during the past 15 years fewer Indians have escaped from the Indian Bureau into citizenship than have done so during any period of

like length during the past hundred years. If now we enter upon a 50-year program of expenditure to establish the Indian Bureau on a grander scale than ever before, there will be fewer and fewer of them becoming real citizens. We must save the Indians from the Indian Bureau.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The VICE PRESIDENT. The committee amendment is open to amendment.

Mr. MAGNUSON. Mr. President, to the committee amendment, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, on page 25, after line 5, it is proposed to insert the following:

SEC. 416. Subsection (f) of section 22 of the Agricultural Adjustment Act, as reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.), is hereby amended to read as follows:

"(f) No international agreement hereafter shall be entered into by the United States, or renewed, extended or allowed to extend beyond its permissible termination date in contravention of this section."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WHERRY. I thank the distinguished Senator.

Mr. President, I should like to ask the acting majority leader whether, in view of the statement made earlier today by the majority leader that he intended to have the Senate take a recess at 6 o'clock this evening, it is the opinion of the acting majority leader that there will be a vote on this bill tonight, following the disposition of this amendment.

Mr. MYERS. Mr. President, after this amendment is disposed of, I think we could very well take a recess until Monday. A vote may be taken tonight on this amendment; but after this amendment is disposed of, it is the desire to have the Senate take a recess until Monday. So there is a possibility that we shall vote on this amendment this evening.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. AIKEN. Does the acting majority leader believe it will take much more time to conclude action on this bill?

Mr. MYERS. It may very well take further time.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WHERRY. The statement previously made by the majority leader was that he desired to have the Senate take a recess at 6 o'clock this evening. Then some Senator engaged the Senator from Oklahoma in colloquy relative to whether an amendment in the form of the

Brannan plan would be offered to the committee amendment; and I understood the Senator to reply in the affirmative. Therefore, it seemed that final action on the bill could not be taken by 6 o'clock this evening.

So, following the disposition of the Magnuson amendment, I wonder whether the Senate will take a recess until Monday.

Mr. THOMAS of Oklahoma. Mr. President, if the Senate will be patient and will wait a little longer, I see no reason why the bill cannot be passed tonight.

Mr. FULBRIGHT. Mr. President, I have an amendment which I intend to discuss. Its discussion will take far beyond 6 o'clock. I do not think there will be time to pass the bill tonight.

FURTHER LEAVE OF ABSENCE FOR SENATOR MCCARRAN

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. O'CONOR. Mr. President, I have before me a statement from the distinguished senior Senator from Nevada [Mr. McCarran] which has been transmitted from Europe. I should like to read the statement to the Senate, and then I wish to propound a unanimous-consent request, based upon the statement the Senator from Nevada makes.

The statement from the distinguished senior Senator from Nevada is as follows:

I have conferred with officials of the Displaced Persons Commission, the United States Consular Service, the Immigration and Naturalization Service, the International Refugee Organization and voluntary agencies, the Lutheran World Federation, the National Catholic Welfare Conference, and the American Joint Distribution Committee. My studies and investigation have included all major areas of Germany having displaced persons. Authentic information discloses to me fraud in essential documents, misrepresentation, maladministration, and violation of law.

All of the officials agreed that the program under the present act when completed will have taken care of the persons actually displaced by the recent war, except for a so-called hard core which covers a group of applicants who are disqualified under the immigration laws because of disease or criminality or because they are persons likely to become a public charge. My investigation indicates the need of tightening the existing law with respect to the security of the United States, as well as the need for more thorough examination of displaced persons applications. Material already developed requires further study and full disclosure of the administration of the present act before intelligent action can be taken on pending legislation. I give you a personal assurance that I am bending every effort to complete my investigation so that I may report at the earliest possible moment.

You Senators may rest assured that there is no immediate need for additional legislation, and that intelligent and prudent action can be taken before the expiration of the existing law. I respectfully request you to obtain unanimous consent for extension of my permission to be absent from the Senate for another 3 weeks, as I must confer with international refugee organization officials in Geneva, Switzerland, and will investigate the displaced persons situation in Aus-

tria and Italy. If we pass the House version of the DP bill as it is now before the Judiciary Committee it would be a serious mistake. That is the expression of the DP service here, and of officials of the consular service and the immigration and naturalization service of the United States. I cannot get back in time and conclude my investigation, because it covers such a wide field.

That concludes the statement which has been transmitted from Europe from the distinguished senior Senator from Nevada.

Mr. President, based upon that statement, I respectfully request unanimous consent that his absence from the Senate may be extended for 3 weeks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, I did not understand the request.

The VICE PRESIDENT. The request was that the Senator from Nevada be permitted to remain away 3 weeks more.

PUBLIC WORKS ON RIVERS AND HARBORS

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. O'MAHONEY. Earlier today the senior Senator from New Mexico [Mr. CHAVEZ], chairman of the Committee on Public Works, submitted a report on House bill 5472. As that bill was considered by the Committee on Public Works, it contained a provision dealing with the authorization of certain reclamation projects in the Columbia River Basin. The Committee on Interior and Insular Affairs had no opportunity to pass upon those recommended reclamation authorizations. The chairman of the Committee on Public Works was kind enough to call in members of the staff of the Committee on Interior and Insular Affairs with respect to the drafting of the bill in its relation to reclamation projects. One of the members of the Committee on Public Works, the junior Senator from Utah [Mr. WATKINS], raised the question, in the proceedings yesterday in the Committee on Public Works, with respect to these reclamation projects.

I have had a conference with the senior Senator from New Mexico, and I desire the RECORD to show that I understand the understanding between the Public Works Committee and the Committee on Interior and Insular Affairs to be that although the bill as reported does not contain any provision at all with respect to these reclamation authorizations, the Committee on Interior and Insular Affairs is recognized as having the right to offer, as necessary, as part of the report and as a committee amendment, provisions dealing with that authorization. The reason for that, of course, is that the development of the Columbia River Basin is a joint operation by the Army engineers and the Bureau of Reclamation. The report by the Committee on Public Works is, as I understand, not to be considered as excluding the consideration of reclamation authorizations.

I am announcing to members of the Committee on Interior and Insular Af-

fairs that this matter will be laid before the committee at its regular session on Monday next, when the committee, if it so desires, may take action with respect to the reclamation authorization.

I ask the Senator from New Mexico whether I have correctly stated the understanding.

Mr. CHAVEZ. That is correct. The Senator from Wyoming has correctly stated the understanding.

Mr. President, the Committee on Public Works of the Senate wanted to include the items of the Reclamation Service, but it happened that one member of the committee also belonged to the Committee on Interior and Insular Affairs, and he had some doubt whether the latter committee would be willing; so, if they do not mind, it is all right with us.

Mr. O'MAHONEY. It is all right, also, with us.

Mr. MALONE. Mr. President, if the Senator will yield, do I correctly understand that the preview pertains only to the Columbia River Basin?

Mr. O'MAHONEY. That is correct.

Mr. MAGNUSON. It pertains only to reclamation.

Mr. O'MAHONEY. And it pertains only to reclamation. I thank the Senator from Washington.

NOMINATION OF LELAND OLDS

Mr. BYRD. Mr. President, will the Senator yield for an insertion in the RECORD?

Mr. MAGNUSON. I yield.

Mr. BYRD. I do not want to take up the time of the Senate to read a statement, but I ask unanimous consent to insert in the body of the RECORD a statement prepared by the Senator from Virginia with respect to telegrams which have been sent broadcast over the country by Mr. William A. Boyle, Jr., chairman of the Democratic National Committee, respecting the nomination of Mr. Leland Olds. I do it, Mr. President, to express my indignation that there should be attempted a coercion of Members of the Senate through political channels.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I desire to read to the Senate a telegram sent by Mr. William A. Boyle, Jr., chairman of the Democratic National Committee, to the Honorable G. Fred Switzer, democratic national committeeman from the State of Virginia:

WASHINGTON, D. C., October 5.

HON. G. FRED SWITZER,
Democratic National Committeeman,
Harrisonburg, Va.:

The effort to block confirmation of Leland Olds to the Federal Power Commission is a straight issue of democratic action to protect the American people against the monopoly seeking power lobby which wants Olds kept off the Commission because he worked in the public interest during the two terms he has already served on the Commission. Federal Power Commissioner Olds has stood for what the Democratic Party has stood—the best interests of the general public in the public utility field. Defeat of his nomination would be a defeat for the millions of Americans who are entitled to fair power rates and a victory for the power lobbyists and the Republican Party.

The President has made his views clear to the Congress. He has pointed out that there is only one real issue: How Olds has performed his duty as a public official. The President said Olds "has labored diligently" in the service of all the people and has earnestly sought to protect the public against the narrow interests of special groups." Some Democrats have joined with Republicans in opposition to Olds. We must convince them that rank-and-file Democrats support the President, support Olds. I am asking every member of the Democratic National Committee and every State official of the Democratic Party to make it his personal responsibility to see that the Senators from his State are aware that the people want Olds confirmed and that their Senators' votes reflect this desire.

Every resource of the Democratic National Committee headquarters has been turned to this goal at a special staff meeting held this morning, and I have personally discussed with Senate leaders the importance of this issue to the future of the Democratic Party. The issue is clear-cut. Let us resolve it into a victory for democratic liberalism.

WILLIAM M. BOYLE, JR.,

Chairman, Democratic National Committee.

I am shocked that the President of the United States would attempt to coerce the Members of the United States Senate in the exercise of their function in the confirmation of an appointment. The right of the Senate to confirm appointments made by the President is one of the checks and balances of our constitutional democracy. The Senate acts as a jury to determine whether an appointment made by the President of the United States is in the public interest. Each Senator should make this decision without outside dictation or attempted coercion or high-powered political pressure.

Mr. Boyle says that every resource of the Democratic National Committee is now being put in operation in order to induce the Senate to confirm Mr. Olds. In the 16 years I have been in the Senate I do not think I have ever seen a more deliberate effort to threaten and coerce the Members of the Senate than that contained in this telegram from Chairman Boyle.

At this time I will not go into the merits of the nomination, but I want to express my strong condemnation of such methods. By implication, at least, Chairman Boyle threatens every Member of the United States Senate with the loss of patronage if the orders given in this telegram are not obeyed. This is true because many, if not most, of the Federal appointments made are routed through the Democratic National Committee. It should be clearly understood that the very astounding action of Chairman Boyle was taken at the direct command of President Truman.

In justification of this effort to apply political pressure on the Senate Mr. Truman said he remembered distinctly when James A. Farley, as Democratic national chairman, in 1937 had "put the heat" on him when he was in the Senate. I, of course, do not know whether Mr. Farley, as chairman of the Democratic National Committee, put the heat on Mr. Truman, but will, of course, accept the President's statement that he did. I will say that Mr. Farley never attempted to put the heat on me during his incumbency as chairman of the Democratic National Committee. Even should he have done so in the case of Mr. Truman, it certainly does not make such a procedure a proper one on the part of the chairman of the Democratic National Committee.

The independence of the United States Senate will largely determine whether we are to maintain our form of government, and Mr. Truman appears to believe that the United States Senate should be an adjunct of his own office, whereby he can issue orders as he pleases and go to the preposterous extent of

high, pressuring Senators by the implication, if not by direct action, of depriving Senators of his own party of political patronage unless they obey his instructions. In my opinion, this is a perverse interpretation of the form of government under which we live.

When the nomination of Mr. Leland Olds to be a member of the Federal Power Commission is submitted to the Senate I hope and believe each Senator will vote in accordance with the dictates of his own conscience without intimidation by threats of coercion through patronage, denial, or otherwise bludgeoned into action contrary to his conscientious convictions on this or any other nomination.

Practices of this kind lead to a totalitarian government. We have a three-branch government, established with checks and balances, which has given to America the greatest form of democracy the world has ever known, enabling us to progress to a degree never enjoyed by any other nation. It is such action as this that will lead to a dictatorial government and destroy the checks and balances that were established by those wise men who founded our great democracy.

Mr. BYRD. Following the statement, I should like to have inserted in the RECORD an article published in today's New York Times, written by Mr. Arthur Krock, entitled "A Rigid Definition of Party Loyalty."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A RIGID DEFINITION OF PARTY LOYALTY

(By Arthur Krock)

WASHINGTON, October 6.—Section 2 (2) of the Constitution provides that the President has unlimited discretion over whom he shall "nominate" for specified Federal offices, but that the "consent" of the Senate is required before he can "appoint" them. At the White House today Mr. Truman sought to confine this right to deny "consent" to those nominations and legislative proposals only which a President does not certify to be a "party matter."

This extreme position was implicit in his discussion at his press conference of the strong efforts being made at his direction by Chairman Boyle, of the Democratic National Committee, to assure Senate confirmation of Leland Olds, whom the President has nominated for a third term as Federal Power Commissioner. Mr. Boyle telegraphed to national committee members and to the officials of all State Democratic committees, asking them to bring home to their Senators that the "people" want Mr. Olds confirmed. The press conference dialogue with the President follows:

"Question. Is that [the Boyle telegraphic campaign] a new departure in policy? I don't remember the national chairman putting the heat on Senators and Representatives before."

No, said the President; he remembered very distinctly that Jim [James A.] Farley put the heat on him. It was customary and proper and should be done, and Bill Boyle did it with Mr. Truman's instructions.

"Question. Isn't the only difference that Bill Boyle is doing it publicly and it used to be done privately?"

The President said it wasn't done so privately, as he remembered; it was advertised to high heaven to get him to vote against Pat Harrison [the late Senator from Mississippi, when a candidate for Senate majority leadership against Senator ALBEN W. BARKLEY, of Kentucky, now Vice President] Mr. Truman didn't have anything against Mr. BARKLEY, but he had promised to vote for Harrison, and did so. But the heat was

very well put on; that isn't a new thing and should be done in a country with a two-party system of government.

"Question. Isn't that the same as lobbying?"

HE WASN'T TOLD

The President said not necessarily; that you have got to have party discipline to transact the business of Government; that one thing reporters do which isn't right is to point the finger of shame to anybody who is loyal to the party. A man elected on a party platform ought to carry it out.

"Question. Do you plan to discipline Senators who don't vote for Leland Olds?"

The President said he wouldn't answer that one.

"Question. Do you expect them [Senators] to be more in line than you were in the case of Pat Harrison?"

The President said that was a good question, but he was not informed that it [the Barkley-Harrison choice] was a party matter. If he had been so informed he would have voted for Mr. BARKLEY. But that was a Democratic [internal] fight. It was not a party matter at all.

That was the end of today's discussion. But it will not be the end of the subject. For Mr. Truman's position as stated is that, when he informs Democratic Members of Congress that any proposal of his is a party matter, their obligation to the party, and to the maintenance of party discipline, without which the business of Government cannot be transacted, is to agree to his proposal, however they may differ with his interpretation of the party's pledge or his judgment of the qualifications of a nominee. By such flat previous pledges are canceled, as he was ready to cancel his to Senator Harrison.

DISCIPLINE UNLIMITED

This means in effect that Members of Congress elected on a party ticket should surrender their constitutional right to refuse to consent to a Presidential proposal, whatever their judgment or prior pledges might be, if it comes from a President of their own party and by him is classified as a party matter. He need only do that and resistance of party colleagues in the Senate should end. It clearly was with this interpretation of party obligation in mind that Mr. Truman wrote to the Senate subcommittee that was considering the nomination of Mr. Olds the letter in which he urged that the nomination be approved.

The subcommittee, however, unanimously exercised its privilege and judgment to the contrary, Democrats and Republicans being as one on that. By a vote of 10 to 2 (5 Democrats and 5 Republicans against 2 Democrats) the full committee sustained the subcommittee. After that action, it now appears, the President decided to leave no doubt that the confirmation of Mr. Olds is a party matter and issued his orders to Mr. Boyle on that basis.

Should his interpretation of party obligation prevail, Mr. Truman would effect a discipline which rarely, if ever, has been attained by a political leader under the two-party system, even by Jefferson, Jackson, and F. D. Roosevelt, who exercised great control over Congress. Mr. Truman would get full Democratic support on anything he chose to give the necessary label.

He has seen a dream walking, but it is only a dream.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I decline to yield further, if we are going to get into a controversy over Mr. Olds. I have an amendment pending. It is expected that the Senate will take a recess at 6 o'clock.

I have now yielded time to every Senator who rose for the last 15 minutes. If it is merely for a question, I yield.

Mr. CAPEHART. It is purely for a question which I desire to ask the Senator from Virginia [Mr. BYRD]. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. CAPEHART. Do I correctly understand the chairman of the Democratic National Committee has some time on the radio for talking about the Olds nomination?

Mr. BYRD. I do not know about the radio. The statement the Senator from Virginia made is relative to a telegram, or copy of a telegram, which has been sent to Democratic officials throughout the country, urging that they high-pressure Members of the Senate to vote for confirmation of the nomination of Mr. Olds.

Mr. CAPEHART. Mr. President, does the Senator know that they likewise engaged 15 minutes on the radio?

Mr. MAGNUSON. Mr. President, I decline to yield further.

The VICE PRESIDENT. The Senator from Washington has the floor, and declines to yield further.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1933, as amended, and for other purposes.

Mr. MAYBANK. Mr. President, will the Senator yield to me for a parliamentary inquiry?

Mr. MAGNUSON. I yield for that purpose.

Mr. MAYBANK. I understood we were to recess at 6 o'clock. It was so stated. Was there a unanimous-consent agreement to that effect?

The VICE PRESIDENT. No order has been made. It was merely an announcement.

Mr. MAGNUSON. Mr. President, I hope I shall not take more time than the time remaining between now and 6 o'clock, but I am again submitting an amendment which caused a great deal of discussion and controversy when the bill was before the Senate the early part of the week. It relates to section 22 of the present Agricultural Act of 1948. I have somewhat changed the amendment, to simplify it. The original amendment, I agree, was somewhat technical and probably could be interpreted as going a good deal further than my present amendment. If Senators will give me their attention for at least 3 or 4 minutes, I think I can explain the amendment, and why I think it should be agreed to.

As many Senators know, particularly those on the Committee on Agriculture and Forestry and those interested in agricultural problems, the Agricultural Act of 1948 contained a provision known as section 22, which in effect provides that whenever the President has reason to believe that any article or articles are being, or are practically certain to be,

imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken under this title, or the Soil Conservation Act, or the Domestic Allotment Act, as amended, the President shall then do certain things. I shall not read the whole section, but in part it provides that the President shall make an investigation of so-called imports or threatened imports which might interfere with either a price-support program or an allotment program with respect to any agricultural product in short supply, and provision is made for a public hearing at which all interested parties are asked to appear. If, on the basis of such investigation, the President finds there is such a probable interference, the act then gives him authority to limit temporarily import fees, up to not more than 50 percent of the total quantity of the article or articles being imported. In effect it is 50 percent ad valorem. The act then goes on to prescribe methods by which the President may do this, and it says, after he has completed the investigation, in consultation with the Tariff Commission and with the Secretary of Agriculture, any decision the President shall make as to the facts under this section shall be final.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I am glad to yield.

Mr. KNOWLAND. I merely wish to say I do not know whether the able Senator from Washington has noticed on the United Press ticker today that the State Department was announcing, at a 5 o'clock press conference, the results of the Annecy trade agreements. I ask that the announcement be printed in the RECORD at this point.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

The State Department announced that there will be available at its press room, room 2110, State Department, at 5 p. m., a brief, general release on the result of the Annecy, France, trade conference.

The release is for publication at 7:30 p. m., eastern standard time, Sunday, October 9.

John Evans, Chief of the International Resources Division of the State Department and a member of the United States delegation at Annecy; Walter Hollis, also a member of the delegation; and W. T. M. Beale, Associate Chief of the Commercial Policy Division, will be present to provide background information.

The Department hopes to be able to provide detailed information on tariff rates and products affected on Monday.

Mr. KNOWLAND. I also ask that another ticker item regarding a release or statement by the Senator from Arizona [Mr. HAYDEN] may be printed in the RECORD at this point in my remarks.

There being no objection, the item was ordered to be printed in the RECORD, as follows:

Senator CARL HAYDEN, Democrat, of Arizona, expressed concern to President Truman over a possible tariff change under the reciprocal trade law which would affect Arizona lemons.

HAYDEN told reporters he fears a tariff reduction now under discussion would allow

the entry of lemons from southern Europe which would come at a time when there is a surplus for American markets of United States lemons.

Mr. KNOWLAND. I merely say to the Senator from Washington I expect to vote for his amendment, but it rather reminds me of a situation wherein certain parts of American agriculture have had their jugular vein cut, and now the Senator is trying to apply a band-aid to repair the damage.

Mr. MAGNUSON. That may or may not be true, but surely certain segments of American agriculture have been so seriously threatened as to justify some action being taken under the authority given the President.

To continue Mr. President, section 22 of the Agricultural Act provides that no proclamation under the section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

Such a Presidential proclamation might relate to Arizona lemons or anything else.

All my amendment does, Mr. President, is to change that language to read:

No international agreement hereafter shall be entered into by the United States, renewed, or extended, beyond its permissive termination date in contravention of this section.

In other words, we have said in the Agricultural Act that there should be a medium of protection for agricultural products which either come under an allotment plan or a price-support plan or both, because they are in a different position than are ordinary commodities. That is put into a congressional mandate, and the section goes on to provide that no action shall be taken if it is in contravention of the treaty.

Paragraph (f), in effect, nullifies section 22.

It is my considered opinion that either we should repeal section 22 or adopt the amendment, which would provide, in effect, that no treaty shall be entered into in contravention of the law of the land, which says that the President, in certain emergency situations, can do certain things. His authority is somewhat limited, but in many cases immediate action is required. It is not in contravention of trade agreements, not in violation of the reciprocal trade theory, but is only an authority vested in the President to give temporary relief to agricultural products which are now controlled either by allotments, price supports, or both. Without this authority we might have a price-support program which would be completely nullified by a trade agreement which might have been entered into in contravention of section 22, and the State Department would say that the treaty becomes the law of the land and that the Agricultural Act would be nullified.

My amendment is very simple. Paragraph (f), as it now reads, provides that a treaty can be entered into in violation of section 22, but my amendment says, in effect, that no treaty shall be made in the future in violation of the law of the land.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. WHERRY and other Senators asked for the yeas and nays.

Mr. FULBRIGHT. Mr. President, we debated this amendment on last Tuesday at great length. The amendment was defeated by a vote of 35 to 37. The amendment, if it means anything at all, means exactly and precisely what the other amendment meant. It is simply a rephrasing in a way which makes it extremely difficult to put one's finger on exactly what it does mean. If it has any objective, it is to reserve the unconditional right to impose a quota or to change the fees—the Senator calls them fees rather than tariffs—at any time.

I confess that it is extremely difficult to understand the language of the amendment, but when we examine the language of section 22 we find it simply means that if, after the President has requested the Tariff Commission to find whether any damage is being done, and he accepts the finding, he can either raise the tariff up to 50 percent ad valorem, or he can impose quotas. I think the practical effect would be that we could not make any further reciprocal trade agreements.

If we are against the reciprocal trade program, we should vote for this amendment. If we are in favor of the peril-point amendment on which we voted a few days ago, we should be for this amendment. That was very clearly brought out in the discussion a few days ago. The Senator from Indiana [Mr. CAPEHART] and other Senators recognized that fact particularly, and so stated, and we had a clear-cut vote on the issue. Now the Senator from Washington brings back the amendment in a more or less disguised form. If it means anything at all, as I say, it means the same thing as did the previous amendment. It would require the termination of any agreement which is in contravention of section 22. What "contravention of section 22" means is not entirely clear.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. MAGNUSON. This amendment has nothing to do with present agreements. If the Senator will read it he will find that it says "any agreement hereafter made."

Mr. FULBRIGHT. The Senator knows that all those agreements terminate from time to time. I think the general agreement expires next year or the following year and will have to be renegotiated and extended. It is a question of a very short time until all of them periodically fall due, so to speak. They are not of a permanent nature. They have to be extended. Six months' notice of an intention not to extend is required, but there are extensions in practically every case.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. CHAVEZ. There was before the Committee on Finance yesterday Senate

bill 501, which is more or less identical with the amendment offered by the Senator from Washington. There is no particular reason, when we are considering a particular piece of legislation, why it should not be considered in the proper way. Senate bill 501 has for its purpose getting away from what we have done, along the lines submitted in the amendment, in connection with a sugar bill; in other words, trying to force, by legislative action, morals in connection with a sugar bill. The bill was reported yesterday by the Committee on Finance, of which the Senator from Georgia [Mr. GEORGE], is the chairman. It seems to me the Senator from Arkansas is on the right ground, irrespective of the merits that might be involved in the amendment offered by the Senator from Washington. But it does not belong in this bill. It might belong somewhere else, but not in this bill.

Mr. FULBRIGHT. I will say to the Senator that in the discussion on Tuesday one of the principal points I made was that even though I might misunderstand the implications of it, it should not be brought in and fastened more or less casually to this bill without having gone to the Committee on Finance and having received a complete study. That is my principal objection to it.

Mr. CHAVEZ. The Senator is correct. Two years ago the Committee on Finance reported a bill having to do with sugar, and section 202 (e) got into the bill, which had nothing to do with either cane sugar or beet sugar. It had to do, more or less, with what the Senator from Washington now has in mind—to "make them be good."

I hope the argument being made by the Senator from Arkansas will prevail.

Mr. FULBRIGHT. I thank the Senator.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the senior Senator from Georgia.

Mr. GEORGE. Mr. President, I merely wish to call attention to the fact that this amendment provides that "no international agreement hereafter shall be entered into by the United States or renewed or extended or allowed to extend beyond its permissive termination date in contravention of this section"—a section which was inserted as an appropriate remedy in the hands of the President of the United States. This whole effort is to apply section 22 as against ourselves when we, through farm legislation, undertake to support prices or fix quotas.

I call attention to the fact also that this provision, if inserted in the bill, would require the renegotiation of the quota provisions of the general GATT, as it is called.

Mr. FULBRIGHT. The Geneva agreement.

Mr. GEORGE. The general trade agreement entered into at Geneva. I also call attention to the fact that nearly all our trade agreements have either expired or could now be terminated, so that practically this amendment calls for a complete renegotiation of all the existing trade agreements.

Mr. FULBRIGHT. Even if there is some question about our interpretation of the amendment because it is general language, it certainly should be considered most seriously by the Senator's Committee on Finance before it is adopted by the Senate. I think that is obvious.

Mr. MAGNUSON. I wonder if the Senator would permit me to ask the Senator from Georgia a question?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. The Senator's statement may or may not be accurate, but I will ask the Senator if he thinks we should adopt section 22 and have a provision in it which says that we can make a treaty in violation of it.

Mr. GEORGE. That section was intended to protect us against adverse action of another country. Here we are undertaking to write our own laws, and the Senator undertakes to apply section 22 to action taken by ourselves. It could be done.

Mr. MAGNUSON. It is the law.

Mr. GEORGE. It is the law. We could now invoke it, and it has been invoked by the President against other countries which imposed unfair quotas or restrictions on our products.

Mr. MAGNUSON. Should we not repeal section 22? If we allow the State Department to make treaties in contravention of section 22, what is the sense of having it?

Mr. GEORGE. I do not think we should repeal section 22, because it is a protective measure against adverse actions of hostile foreign countries.

Mr. FULBRIGHT. Taking into consideration the escape clauses which are contained in all the treaties now being negotiated, and those negotiated in the recent past, and the clause which provides that when any of our products are under acreage control we have a right to impose quota restrictions on imports, between those two, does not the distinguished Senator from Georgia think that there is an added protection in the situation which the Senator from Washington is seeking to reach?

Mr. GEORGE. I might say I do think that, but at the same time I recognize the validity and effectiveness of the escape clause as a highly controversial question and issue, which I do not believe is necessarily properly involved in connection with what we are discussing. I think undoubtedly we made a strong fight at Geneva to preserve the right to impose quotas, under certain conditions, and now to require us to renegotiate that agreement would probably be tantamount to the abandonment of most of that general agreement.

Mr. KEFAUVER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Does not the Senator feel that if this amendment should be agreed to it would be very difficult to renegotiate or extend many of the trade agreements we now have in effect?

Mr. FULBRIGHT. I certainly do. I think it would be extremely difficult, just as difficult as it would have been if

we had adopted the amendment proposed a few days ago, and that was my principal point.

Mr. KEFAUVER. I believe the Senator from Washington says this amendment means substantially the same thing as the one he offered the other day, which was voted down by the Senate.

Mr. FULBRIGHT. That is correct.

Mr. MAGNUSON. Mr. President, there is a great deal of difference.

Mr. KEFAUVER. The Senator said the ambiguity was taken out.

Mr. MAGNUSON. I did not interpret the amendment the other day to mean it would affect any trade agreement now in existence. I intended it to refer to any agreement entered into in the future. All the pending amendment tends to do is to say that we shall not enter into any agreement with any other country in contravention of the law of the land, and section 22 is the law of the land. That is all it says. If the Senator from Arkansas is going to suggest that we write sections in agricultural laws such as section 22, and in the same breath say they do not mean anything, and that we can negotiate with another country in contravention of the law of the land, I think we should either repeal one declaration or repeal the other.

Mr. FULBRIGHT. The Senator from Georgia made very clear the usefulness and intention of that section, and it is not at all in accordance with what the Senator from Washington has said.

Mr. KEFAUVER. I think it is impossible for any nation with whom we are negotiating to know with any degree of certainty what kind of a trade they would be getting in connection with agriculture, because conditions might arise which would make it mandatory for the President to put on some kind of limitations or fees.

Mr. MAGNUSON. They know that when the agreement is negotiated. It is a part of the agreement.

Mr. FULBRIGHT. When we look at the language of section 22, whose operation is merely on contingency, then when we consider what would be the position of our Government negotiating an agreement, realizing they could not possibly foresee whether or not a contingency were going to arise, it comes to exactly the same thing as that embodied in the other amendment of the Senator from Washington, it is keeping from ourselves the unconditional right of voting unilaterally any quota we desire.

Mr. KEFAUVER. In view of the fact that the Committee on Finance has had very extended hearings over a period of 15 or 16 years on this subject, and in view of the fact that the ramifications of what might happen are so uncertain and perhaps drastic, does not the Senator feel that we should have extended hearings on this matter before any is done?

Mr. FULBRIGHT. That was the principal argument I made the other day, that it would seem to me a very rash and a very unwarranted thing for us to pass upon this kind of an amendment under the circumstances which exist at the present time. We are approaching the

end of the pending bill, we voted on the subject once, and many Senators, I know, feel that it was disposed of. Its implications, I am frank to say, are not entirely clear. Right at this time the Senator from Washington says it does not mean what I say it means, and what the Senator from Georgia declares it to mean. That alone should be sufficient to justify our deciding that it should go to a committee, perhaps be submitted to the Committee on Finance, and if it has merit—and I do not say that it has not—it ought to be brought forward in the regular way, because essentially it is a matter which has an impact upon our foreign-trade program, a program in which the agriculture of this country has a very great interest. We cannot brush it aside as something that is involved in section 22. It goes far beyond what was contemplated in section 22.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for another question, but I do not want to drag the debate out long.

Mr. MAGNUSON. The Senator questions the propriety of the amendment going on the pending bill.

Mr. FULBRIGHT. Not having been considered by the committee, I think the Senator stated the other day that this amendment was brought in after the bill came to the floor, and was not considered by the Committee on Agriculture and Forestry.

Mr. MAGNUSON. This matter was considered by the committee, because section (f) as it now reads necessarily required consideration.

Mr. FULBRIGHT. No; I mean the Senator's amendment was not considered.

Mr. MAGNUSON. I ask the Senator whether or not he believes that under the Senate rules, if we amend an agricultural bill by inserting a section which states one thing, and we amend it the other way, it can properly be referred to the Finance Committee. This is an agricultural bill. What I am amending is in that bill.

Mr. FULBRIGHT. The Senator knows very well that the objection is to the effect of it upon our reciprocal trade program, which we recently passed in the Senate after a very severe fight.

Mr. President, I asked for a memorandum from Mr. Winthrop Brown, of the State Department, who is the man in charge of the negotiation of trade treaties, because I was puzzled by this rephrasing. The language is very obscure as to its meaning. I wish to read the memorandum presenting the view of Mr. Brown as to the effect of the language:

It would require the termination of any agreement that was in contravention of section 22. What "in contravention of" means is not entirely clear when one reads the broad and varied language of section 22 with all the findings in its provision and the proviso which it contains, but the amendment could, and is undoubtedly intended to mean, that any agreement which in any way limited the absolute right under section 22 to impose quotas would be "in contravention of" the section. If so, it is subject to the same objections as the previous amendment and would require renegotiations and pos-

sible loss of the general agreement on tariffs and trade.

That is the general agreement referred to by the Senator from Georgia. Mr. Brown continued:

It would be a major tragedy and major blow to our foreign policy to lose the general agreement. This represents years of international negotiations. It is the most important step ever taken toward world tariff reductions. Its provisions allow extensive and fair use of section 22. To break this agreement down by United States action would be a rude blow to United States prestige and disheartening to all who are looking to the United States for leadership.

That is the end of the memorandum.

He certainly thinks it is a very considerable change in our policy in this field. I think the least one can admit is that it has possibilities of a complete reversal of what we did a few weeks ago in adopting and extending the reciprocal trade program. If we want to do it, it may be all right, but it certainly should not be done without hearings in the committee, and a report made by the committee. To do it on the floor would in my opinion be a very serious mistake.

Mr. MAGNUSON. Mr. President, any attempt on the part of the State Department or anybody else to say that this amendment is confusing would make it appear that someone cannot read English. All the amendment provides is that the State Department shall not in the future enter into an agreement in contravention of the existing law of the land. If there is anything wrong with that, then we had better quit writing laws. If the State Department is still in the twilight zone—as it is most of the time—about many of these things, then those in the Department cannot read the English language.

The amendment has nothing whatsoever to do with reciprocal trade agreements which exist. Either the farmers and the agricultural interests of the country are entitled to the protection of section 22, not only in the law of the land, but in treaties that are going to be entered into in the future, or they are not. Either repeal section 22 or say to the State Department, "When you are making treaties you have to pay attention to the law of the land." If there is anything that can be more simple than that I do not know what it is. But I think it is hard for the State Department to understand simple things. Things have to be made complicated for them to understand them.

I yield the floor. I simply wanted to leave that thought with the Senate until Monday.

Mr. MYERS. Mr. President, it was announced earlier in the day that the Senate would recess by 6 o'clock. I believe the Senator from Oklahoma desires to offer an amendment, and after he has offered his amendment, I shall move that the Senate take a recess until 12 o'clock noon on Monday.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment, which I ask unanimous consent to have printed in the RECORD, to be printed, and to lie on the table.

There being no objection, the amendment was received, ordered to lie on the

table, and to be printed in the RECORD, as follows:

On page 26, at the end of line 5, strike out the period, insert a semicolon and the following: "Provided, That the Secretary of Agriculture is authorized within his discretion to make available, under rules and regulations to be made and announced, any of such surplus commodities to the Cooperative for American Remittances to Europe, Inc. (CARE), for relief in Europe and Asia: And provided further, That upon application of the Munitions Board or any other Federal agency for any part of the accumulated supplies on hand at any time for use in making payment for commodities not produced in the United States the Secretary of Agriculture may approve such application or applications and thereafter make such commodities available on such terms, rules, and regulations as may be deemed in the public interest."

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter received by me today from the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, October 7, 1949.

Hon. ELMER THOMAS,
Chairman, Senate Committee
on Agriculture and Forestry.

DEAR SENATOR THOMAS: From a study of the CONGRESSIONAL RECORD of the Senate proceedings these past few days with respect to agricultural legislation, I have the reaction that there are several areas of misunderstanding, the clarification of which might be helpful to further deliberations.

One of these involves the term "flexibility" as applied to price support programs. As this term was originally used in this connection, it clearly referred to latitude or elasticity in the means, methods, or devices for providing price support to protect farm income and for assisting farmers to make necessary adjustments in production.

Nevertheless, "flexibility" has been used during the recent debate to apply almost exclusively to several tables which vary the support price of commodities in relationship to the volume of their production. The tables in title II of the act of 1948 indicate that the price of basic commodities and some others should be allowed to fall as low as 60 percent of parity as the volume of supply of that commodity increased. The tables in S. 2522, now before the Senate, contract the range of price fluctuation in relationship to volume by raising the lower level to 75 percent of parity for approximately the same commodities.

This sliding scale of price support, tied exclusively to volume of production, appears now to be held out as the sole meaning of "flexibility" and as an effective device for aiding farmers to make the necessary production adjustments.

I respectfully point out that this is a narrow and misleading definition and use of the term "flexibility". In fact, in these tables of price-volume relationship there is a very high degree of rigidity.

The Department of Agriculture has many times indicated its understanding of the comprehensive meaning of the term "flexibility." For example, in testifying before a Congressional Committee in 1944, the then Secretary of Agriculture, Claude R. Wickard, stated the need for administrative flexibility in carrying out price support commitments.

In 1945 the then Secretary of Agriculture, CLINTON P. ANDERSON, stated the need for flexibility in a broad, comprehensive sense. The following is an example:

"Price support programs must be carried out in full. They must be regarded as the pledge of a firm commitment on the part of the Government. The important thing is that they be carried out. The thing to do is to maintain the level of prices the Government has pledged. The manner of doing so should be flexible so long as the promise is fulfilled."

A further example comes from the files of 1946 when Secretary Anderson stated:

"The Government is going to make good on its price-support commitments to farmers. But there are dangers that we may as well recognize. Inflexible price supports may tend to hold agriculture to its wartime pattern of production instead of encouraging it to make the necessary shifts to fit a peacetime-demand pattern. Just for example it looks as if support prices for eggs will encourage farmers to produce more eggs than the market requires. On the other hand, support prices of 90 percent of parity on dairy products would not bring anywhere near the required volume. In fact, demand for dairy products is far from satisfied now with prices far above the support level and with subsidies still being paid. We need to combine with the parity concept a more flexible means of carrying out our price-support commitments if we are to avoid the creation of surpluses and deficits, side by side, and if we are to keep ourselves in position to trade with the rest of world."

In 1947, Carl C. Farrington, who was then Assistant Administrator of the Production and Marketing Administration, in testifying for the Department also indicated a broad conception of the term "flexibility":

"First, a high degree of flexibility, both as to support levels and methods is essential in view of differences between commodities and constantly changing conditions that cannot be foreseen."

I have consistently used the term "flexible" in the broad sense which I have always understood it to have. I stated, for example:

"Legislation that was encouraged before the war was modified and made flexible enough during the war to obtain from the land the products we needed for the war."

"Legislation must be flexible enough to guard against not only a violent drop in prices but be geared to our improved farm economy. It must meet the impact of shifts in our export and domestic demands and stand ready to aid in bringing about needed adjustments in production, distribution, and consumption."

All this clearly indicates that the Department has long been using the term "flexibility" in the broad connotation of latitude and breadth of range in the methods, means, and devices for assisting farmers to deal with their production problems; not by price alone, but by a number of administrative devices.

I am very much afraid that the misuse of this term has already led and may continue to lead to some erroneous conclusions. Therefore, I take the liberty of refreshing your memory as to the position the Department has taken with respect to this general subject.

The various sliding-scale tables to which the definition of flexibility is now being confined are based upon the theory that volume of production of agricultural commodities may be controlled and decreases achieved by reduction in price. I most respectfully point out that this is entirely wrong. The history of agriculture gives no one the right to believe that general decreases in price effect a general decrease of agricultural production.

I call your attention to the fact that the United States farm price of wheat dropped from \$1.04 in 1929 to 38 cents per bushel in 1932; the acreage in 1930 was 67,600,000 acres while the acreage in 1933 was 69,000,000. From 1929 to 1932 prices for potatoes fell from \$1.32 to 38 cents per bushel, while acre-

age rose from 3,100,000 to 3,500,000 acres. You will find about the same things for other crops and also that farmers change their total acreage of crops even less than they change the acreage of individual crops in response to price declines.

And if prices are an unreliable mechanism for adjusting acreage, we all know that they are a far less reliable mechanism for adjusting production. The reason for this is, of course, simple. Farmers must use their resources as best they can, and natural economic forces push them to maintain full production. As a final example, take flaxseed. Well in advance of the planting season we reduced the support price to about \$4 per bushel, compared with \$6 the preceding year. We had 4,700,000 acres for harvest in 1948; we have 4,700,000 acres for 1949.

I believe it must be said that only when prices of agricultural commodities have fallen so low and stayed down so long as to practically break American farmers or cause them to deplete the productivity of their lands, does a reduction in price actually result in substantially reduced volume of production.

Another area of misunderstanding that I would like to clarify concerns a statement by me which was read into the record during the debate on S. 2522. My opinion was sought as to the effect of continuing 90 percent price supports without doing anything else. My answer was as follows:

"If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far. Another year of big production, with the present program continued, would show so much money involved in farm programs that I do not think any taxpayer could stand it."

The quotation is correct, but it appears to have been used for the purpose of creating the impression that I oppose fair and adequate levels of price support, even though quotas and allotments are available to the producers and used by them to bring supply in line with demand.

This conclusion is not warranted and does not reflect my views. The question answered by the above was raised in connection with continuation of 90 percent of parity price supports for all of the basic and Steagall commodities then proposed to be continued by the so-called Gore bill. The commodities included in the Gore bill, in addition to the basics, are milk, flaxseed, soybeans, eggs, potatoes, hogs, chickens, turkeys, and several other perishable commodities. The Gore bill like the legislation now in force provides no means or instruments to farmers with which they can bring their production of other than the basics in line with demand. Therefore, I pointed out that without doing anything else, such as providing authority for allotments or quotas, or a device for moving large volumes of food, the Government would be faced with the possibility of taking over huge unmanageable stocks of perishable commodities, with the result that the cost of our price-support programs and the amounts of money involved in price-support operations could be excessively high.

I should also like to point out that the difference between the amount of funds required to support the price of a given commodity at 90 percent of parity and at 75 percent of parity is reasonably small in terms of the over-all costs or funds involved in the price-support operation, and especially so when benefits or returns to farmers are also considered.

For example, had the wheat support price been set at 75 percent of parity it seems reasonable to assume that, in view of the early crop prospects and the way the economic situation developed, wheat farmers would have received only the loan level (75 percent

of parity instead of 90 percent) for most of their crop. A difference of 15 percent of the parity price for wheat at the time the loan was established would have amounted to 33 cents a bushel—a discount that might well have been applied to almost all commercial sales from this year's estimated wheat harvest of 1,129,000,000 bushels. Actually, however, it appears that domestic and foreign demand for wheat at current prices would just about account for this year's entire harvest, so that the net cost of the 90 percent support price to Commodity Credit Corporation, when the season's account is settled, would not amount to much more than the clerical and administrative costs of making loans available. The only other costs of any size would be those of implementing the International Wheat Agreement. The main result of a lower support price for wheat this year would probably have been simply a smaller return for wheat farmers.

This brings up one important fact: In considering the costs, we should very clearly understand the difference between the volume of credits which the Commodity Credit Corporation may have to extend at some time during the crop season and the eventual actual cost or loss to the CCC.

In closing, let me take this occasion to point out once more that the question of level of support for basic, storable commodities is a very small part of the entire farm price and income problem. The major part of the current problem, in my opinion, is the provision of adequate support for the principal sources of farm income—namely, meat animals, milk, poultry, eggs, and some fruits and vegetables—and how to deal with the surpluses that are daily accumulating. I hope that when it is decided whether the legal minimum for basic commodities is to be 75 or 90 percent of parity, these larger questions may also be settled.

I again wish to assure you and the Congress that whatever the form of the legislation finally provided we in the Department of Agriculture will do our best to make it work successfully.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

Mr. HUNT. Mr. President, I submit an amendment which I ask to have printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

MUZZLING OF NEWS CORRESPONDENTS AT SHANGHAI

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD as a part of my remarks the text of the State Department's note criticizing the Chinese Communists for muzzling news correspondents at Shanghai.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

The Department has been informed that the Alien's Affairs Bureau has handed foreign press correspondents in Shanghai the following order of the Shanghai Military Control Commission, date October 6:

"Effective from the date of issue of this order, all correspondents in Shanghai, irrespective of whether they are Chinese or foreign, for foreign newspapers and periodicals, news agencies and broadcasting agencies, whose country has not established diplomatic relations with the Chinese People's Republic, are to cease acting in their capacity as press men, including the filing of press telegrams and radiomyzms."

The effect of this order is to blot out completely objective reporting of developments

in the Communist-occupied territory of China. The order is not based on military security or censorship, but solely on the ground of nonrecognition of the newly announced Communist regime.

It is evident that this order constitutes a crude effort on the part of the Chinese Communists to force recognition of their newly established regime by those countries which continue to have, on the basis of the record of the Chinese Communists to date, wholly justifiable doubts regarding the responsible nature of the regime according to generally accepted international standards.

Further examples of the flagrant disregard of these standards have been the confinement of members of the staff of the United States consulate general at Mukden to their compounds for almost a year; denial of facilities for the withdrawal of the personnel of the consulate in contravention of assurances given as long ago as June 21 that they would

be made available; and assent in if not instigation by Communist authorities at Shanghai of mob action against American businessmen in that city.

Far from constituting pressure toward recognition, such act contravening recognized standards of conduct merely reflect discreditably upon the character of the Chinese Communist regime.

RECESS TO MONDAY

Mr. WHERRY. Mr. President, was it the intention to recess before a vote is taken on the amendment offered by the Senator from Washington [Mr. MAGNUSON]?

Mr. MYERS. Mr. President, several Senators have informed me they desire to address themselves to the amendment. They came to me from both sides of the

aisle from a quarter of 6 on, and I told them that if we could not secure a vote by 6 o'clock it was the intention to recess until Monday.

I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 16 minutes p. m.) the Senate took a recess until Monday, October 10, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received October 7 (legislative day of September 3), 1949:

DIRECTOR OF FOREIGN MILITARY ASSISTANCE
James Bruce, of Maryland, to be Director of Foreign Military Assistance.

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: Strike out section 412 relating to an Assistant Secretary of Agriculture in charge of sales operations and insert the following as section 412.

- 1 In the disposal of commodities, acquired through loans,
- 2 purchases, and otherwise, the Secretary of Agriculture shall
- 3 employ usual and customary channels of trade.

81ST CONGRESS
1ST Session

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: At the end of the bill insert the following new section:

1 SEC. . Section 201 of the Sugar Act of 1948 is
2 amended by striking out the period at the end thereof and
3 inserting in lieu thereof a colon and the following: "*Pro-*
4 *vided*, That the amount of sugar heretofore determined by
5 the Secretary to be needed to meet the requirements of
6 consumers in the continental United States for the calendar
7 year 1949 are hereby increased by five hundred thousand
8 short tons, and the Secretary shall revise accordingly the
9 quotas for such year established pursuant to section 202
10 of this Act."

81ST CONGRESS
1ST Session

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

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2 amended by striking out the period at the end thereof and
3 inserting in lieu thereof a colon and the following: "*Pro-*
4 *vided*, That the amount of sugar heretofore determined by
5 the Secretary to be needed to meet the requirements of
6 consumers in the continental United States for the calendar
7 year 1949 are hereby increased by five hundred thousand
8 short tons, and the Secretary shall revise accordingly the
9 quotas for such year established pursuant to section 202
10 of this Act."

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

October 7 (legislative day, September 3), 1949
Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: At the end of the bill insert the following new section:

- 1 SEC. . The Sugar Act of 1948 is hereby repealed
- 2 effective December 31, 1949.

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HUNT to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz:

- 1 On page 7, line 23, delete the period, insert colon in
- 2 lieu thereof and the following provision: "*Provided, how-*
- 3 *ever,* That in the case of new lands being brought into
- 4 production for the first time in the year 1950 and which
- 5 have no production history, the Secretary of Agriculture is
- 6 hereby authorized to waive acreage allotments or marketing
- 7 quotas for a period of time not to exceed two years."

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. HUNT to the bill
(H. R. 5345) to amend the Agricultural Ad-
justment Act of 1938, as amended, and for
other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: At the end of the bill add the following new section:

1 SEC. . Section 22 of the Agricultural Adjustment Act,
2 as added by section 31 of the Act of August 24, 1935 (49
3 Stat. 773), and reenacted by section 3 of the Agricultural
4 Act of 1948 (Public Law 879, Eightieth Congress), is
5 hereby amended to read as follows:

6 "SEC. 22. Whenever the average wholesale price of
7 any farm commodity or product thereof is less than the
8 parity price of such commodity or product, there shall be
9 levied, assessed, collected, and paid, on such commodity or

1 product when imported from any foreign country into the
2 United States or into any of its Territories or possessions,
3 an import tax or fee equal to the difference between the
4 landed cost of such imported commodity or product and the
5 parity price thereof.

6 "The term 'average wholesale price' for the purpose
7 of this section shall, as of any date, mean the average whole-
8 sale price used by the Bureau of Labor in computing the
9 wholesale price commodity index (1926=100) current on
10 such date.

11 "The term 'parity price', in the case of a farm com-
12 modity, shall mean the parity price as determined under
13 the Agricultural Adjustment Act of 1938, as amended,
14 and, in the case of a product of such a commodity, a price
15 which reflects the parity price of the commodity."

81ST CONGRESS
1ST Session

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz:

1 On page 26, at end of line 5, strike out the period,
2 insert a colon and the following: "*Provided*, That the Secre-
3 tary of Agriculture is authorized within his discretion to
4 make available, under rules and regulations to be made and
5 announced, any of such surplus commodities to the Coopera-
6 tive for American Remittances to Europe, Incorporated
7 (CARE), for relief in Europe and Asia: *And provided*
8 *further*, That upon application of the Munitions Board or
9 any other Federal agency for any part of the accumulated
10 supplies on hand at any time for use in making payment for

1 commodities not produced in the United States, the Secre-
2 tary of Agriculture may approve such application or appli-
3 cations and thereafter make such commodities available on
4 such terms, rules and regulations as may be deemed in the
5 public interest."

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. THOMAS of
Oklahoma to the bill (H. R. 5345) to amend
the Agricultural Adjustment Act of 1938,
as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 8), 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

Mr. AIKEN submitted the following

AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (H. R. 5345)
to amend the Agricultural Adjustment Act of 1938, as
amended, and for other purposes, viz: At the end of the bill
add the following new section:

1 SEC. . (a) Section 41 of the Farm Credit Act of
2 1933 (U. S. C., title 12, sec. 1134c) is amended by adding
3 at the end thereof the following:

4 “Notwithstanding any limitations or conditions imposed
5 by law, but subject to the availability of appropriations, each
6 Bank for Cooperatives shall have power and authority to
7 make separate loans to cooperative associations as defined
8 in the Agricultural Marketing Act, as amended, for the pur-

1 pose of financing the construction of grain storage structures
2 in amounts up to a maximum of 90 per centum of the cost
3 of such grain storage structures, as approved by the Bank
4 for Cooperatives to whom application is made for the loan:
5 *Provided*, That the cooperative association which has applied
6 for any loan shall have furnished to the Bank for Coopera-
7 tives an appropriate commitment from the Commodity Credit
8 Corporation that the Commodity Credit Corporation will
9 lease such grain storage structures when completed for a
10 period of at least five years."

11 (b) Section 34 of the Farm Credit Act of 1933
12 (U. S. C., title 12, sec. 1134j) is amended by adding
13 at the end thereof the following:

14 "Notwithstanding any limitations or conditions im-
15 posed by law, but subject to the availability of appropria-
16 tions, the Central Bank for Cooperatives shall have power
17 and authority to make separate loans to cooperative
18 associations as defined in the Agricultural Marketing Act,
19 as amended, for the purpose of financing the construction
20 of grain storage structures in amounts up to a maximum
21 of 90 per centum of the cost of such grain storage struc-
22 tures, as approved by such bank: *Provided*, That the coop-

1 erative association which has applied for any loan shall have
2 furnished to such bank an appropriate commitment from
3 the Commodity Credit Corporation that the Commodity
4 Credit Corporation will lease such grain storage structures
5 when completed for a period of at least five years.”

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENT

Intended to be proposed by Mr. Tamm to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949
Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz:

- 1 On page 10, strike out lines 5 through 10, inclusive.
- 2 On page 10, line 11, strike out “(2)” and insert “(1)”.
- 3 On page 11, line 4, strike out “(3)” and insert “(2)”.
- 4 On page 11, line 8, strike out “(4)” and insert “(3)”.

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENTS

Intended to be proposed by Mr. WILLIAMS to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

OCTOBER 7 (Legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed



Olds' objectives were basically hostile to our American way of life.

Nevertheless, Mr. William M. Boyle, Jr., Democratic national chairman, saw fit to say that Federal Power Commissioner Olds has stood for what the Democratic Party has stood.

Mr. Boyle made this evaluation of Mr. Olds' philosophy in telegraphic messages which he sent to Democratic Party leaders throughout the Nation in an effort to enforce the party discipline above national good about which Mr. Truman commented in the aforementioned press conference.

One might think that Mr. Boyle could be excused for such flamboyant disregard for the principles of Thomas Jefferson and Andrew Jackson because he had not attended the subcommittee hearings, or perhaps had not so much as read a newspaper.

However, when the learned men of the press who also had not attended the subcommittee meetings find it possible to be so unerringly right in their evaluation of Mr. Olds' thinking, then it is to be assumed that Mr. Boyle, who has access to the same source of information, is attempting to formulate a new party line.

The same could be said here of President Truman, but it really isn't necessary, because it was said by inference and very effectively by a member of his own party, the esteemed chairman of the Senate Interstate and Foreign Commerce Committee, EDWIN C. JOHNSON, in a letter which Senator JOHNSON sent to President Truman on October 4.

Now, keep in mind that October 4 President Truman received Senator JOHNSON's letter by special messenger, and yet on October 5, the very next day, Mr. Truman sent a disciplinary warning to his party members.

Mr. Truman was not without proper information about Mr. Olds even if he waited until Senator JOHNSON's letter arrived before trying to find out anything about him. Senator JOHNSON's letter said:

"The subcommittee was shocked beyond description by the political and economic views expressed by Mr. Olds some years ago. We cannot believe that a person under our democratic capitalistic system holding such views is qualified to act in a quasi-judicial capacity in the regulation of industry."

This was pretty plain talk and could not possibly have been of such magnitude as to have been beyond the understanding powers of the President.

Senator JOHNSON was quite lenient with the President's responsibility in such important matters when he wrote in the letter:

"I feel very certain these radical views have never been brought to your attention, and I will therefore include herewith a few excerpts."

Then Senator JOHNSON inserted in his letter to the President the following excerpts from the writings of Mr. Olds for the Federated Press, whose dispatches were carried by the Daily Worker:

"Capitalism in the United States is rapidly passing into the stage which has marked the decay of many earlier social orders, the stage in which a dominant owning class ceases to perform a function in the business of society."

"The owners exist only, a privileged class of parasites whose idleness and dissipation become an increasing stench in the nostrils of the people." (Leland Olds, Federated Press, Labor Letter, January 24, 1929, p. 1.)

"The manipulation of democratic institutions by this wealthy autocracy forces labor to seek other than constitutional processes." (Leland Olds, Federated Press, Labor Letter, May 11, 1927, p. 1.)

"Here is certainly a breach which may widen until the sanctity of private property in the capitalist sense follows the divine right of kings into discard. Inevitable changes in the economic organizations of society are exposing it as just another myth

preached in the interest of a small class seeking to retain power and privilege." (Leland Olds, Federated Press, Labor Letter, July 28, 1927, p. 1.)

"The opposition of the United Mine Workers to competitive wages can only be made effective through the elimination of competitive private capitalism. The miners have two alternatives—to develop, along with the rest of organized labor, political power sufficient to put over nationalization, or to seek control by the workers themselves under a worker government." (Leland Olds, Federated Press, Labor Letter, April 6, 1927.)

"Lenin knew what would take the place of political partyism when he made his bid for power in Russia with the slogan 'All power to the Soviets.' * * * That change is coming in America. Under labor's advance preparation will depend its share in the new apportionment of authority." (Leland Olds, Federated Press, Labor Letter, November 11, 1925.)

"To millions of workers slaving throughout the world to provide the tribute enacted by the American dollar empire the Fourth of July will loom as anything but the birthday of liberty. They will view it as the day set apart by the world's greatest exploiters to glorify their rise to power." (Leland Olds, Federated Press, the Daily Worker, July 5, 1928.)

I think the next to the last paragraph of his letter was Senator JOHNSON's very loyal and last attempt to excuse his chief executive's apparent ignorance of the facts about Mr. Olds.

Senator JOHNSON said in that paragraph: "The committee found Mr. Olds glib of tongue and very convincing. Like many crusaders for foreign ideologies he has an attractive personality and is disarming to a very high degree."

This constituted the major portion of Senator JOHNSON's reply to President Truman's letter of October 3 to Senator JOHNSON in support of Mr. Olds.

President Truman displayed his lack of knowledge of what had been said and proved of Mr. Olds' past before the committee when, in his letter to Senator JOHNSON, the President wrote:

"Nothing has been presented in testimony there which raises any doubt in my mind as to his integrity, loyalty, or ability."

Yet, after reading Senator JOHNSON's letter—and it is presumed the President did read it—the next day he continued to talk in favor of Mr. Olds.

It is hard to believe that any American could have any doubt about Mr. Olds' philosophy of government after reading Senator JOHNSON's letter to the President, or hearing the testimony against him.

In the face of all this evidence—and much, much more on the pages of the committee transcript—it doesn't seem quite logical that this matter should be determined on the basis of party discipline.

I believe it is quite clear that the country's good is a principle here that far overshadows any partisan considerations.

I am hopeful that Senators on both sides of the aisle will join me in voting against the nomination of Mr. Olds.

FARM LEGISLATION—LETTER FROM J. BLEEKER TO SENATOR YOUNG

Mr. YOUNG. Mr. President, on Monday of this week I received a letter from a farmer of Coatesville, Pa., named J. Bleeker. It contained an excellent statement and analysis of the farm-price support proposal now pending in Congress. I wish to commend this farmer for his excellent and straight thinking on agricultural matters. I ask unanimous consent that the letter be printed as a part of my remarks in the body of the Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator MILTON R. YOUNG:

We are amazed that the Senators can't see the fundamentals for the details. All the discussion of farm bills is on details, minor points, how much of this or that, but only casually and briefly, as of small importance, are fundamentals even mentioned. The delays are not worth the difference. If necessary, pass a bill leaving details to the discretion of the Secretary of Agriculture, but do it quickly. Then the following year's experience will suggest needed modifications. And time will be available to pass the overdue social security bill without quibble from either side, as both have promised it.

In the first place, the farm problem is not a farm problem, it is a depression problem, and it concerns chiefly 5,000,000 farm families and 10,000,000 families of industrial workers. Why? Because the condition of farming over which the individual farmer has no control, have, beginning with the depression of 1828, started the downward spiral which resulted in our major depressions. At that time President Jackson aptly commented: "The predicament of the farmers toppled the first domino." Obviously the industrial workers whose families suffer during a depression, would, if they were aware of the above fact, insist on action to maintain farm-family buying power. When farmers stop buying industrial products, industrial workers are laid off, and then they cannot buy industrial products, more industrial workers are laid off, and the cumulative effect results in a major depression. We need go no farther back than 1928 to cite an outstanding example of this historic fact.

Secondly, why do farm families lose their buying power right at the height of production? Because of two facts, one historic, the other economic. The historic fact is that farm-prices received start falling before industrial prices. Example: farm prices received began falling in mid-1947, but the prices the farmer must pay have remained level or have risen. (A few months ago the price of 40-quart milk cans rose in Coatesville from \$10.75 to \$11.80.) This loss of net income means loss of ability to buy industrial products, unemployment of industrial workers began and reached 4,000,000 before seasonal and other factors reversed the trend, but the underlying fundamental persists, though obscured by strikes, and will topple us in a 1950's depression probably out-rivalling that of the 1930's, unless prevented by act of Congress. This is the economic factor referred to above: Industries operate on a back-log of orders at agreed-upon prices, and of materials supply in hand or under contract. Without such support from the markets the industrial plants cease operation. But the farmer has no back-log of orders, and knows not what production, prices, and demand will be at harvest time, and he can't shut down his plant. So, when prices he receives start falling, he must plant more, which makes prices go still lower. This is a cumulative effect which historically has accelerated the squeeze on farmer buying.

Why can't farmers get together to control production and so to control farm prices received? Another historic fact is the answer: they have tried to do so but a 10 percent of chiselers were enough to cause defeat. Example: the Kentucky "night riders" of 50 years ago. Only a combination of Federal support and adequate incentive can succeed.

Stated in a few words, the farm problem is a problem of preventing depressions, and a solution is important to some 15,000,000 families.

Specifically, the problem is to maintain the buying power of some 5,000,000 farm families entirely dependent on operation of fam-

ily-size farms for income. Get the point: only farm-operating families should receive support! The immediate means are controls of farm production of and bonuses for staples. The farm must be the sole means of support for a farm-operating family. This eliminates absentee landlords, and takes care of large holdings divided amongst tenant families. Renters would receive total support, share croppers only on their share of the crop. Small pieces of land operated as an avocation or as additional means of support would be eliminated. The criterion would be sole support for a farm-operating family.

Because of human nature, and gradations of intelligence, production limitation should be optional to each farm family. Mandatory controls enforced by fines result in too much bitterness, argumentation, and friction. Votes should not be taken: the losers are bound to feel resentful and imposed upon, and fines produce permanent scars. With a properly based plan of control, and adequate incentive, voluntary cooperation will be assured. Hold-outs will soon see their errors of judgment.

The basis for corn, wheat, cotton, rice, peanuts, etc., should be acreage, and payments should depend not on measured production, but on average production for an area. This basis of acreage and average production, would require the lowest cost of administration. Field men, properly chosen, are excellent judges of field size, fields in general remain the same in size year after year, county controls have maps from which checks can and should be made, the Government need not store, payments are simply calculated or read from acreage tables. Services of field men, disputes, office expense, and favoritism are minimized. The farmer could store, or sell at open-market prices. The basis of payment would be determined by the average of open-market prices in a given area at time of harvest. The criterion of amount of support should be to give, say to a wheat farmer, a net income equal to that of an industrial worker of equivalent responsibility. Simple in the extreme. There would be no lack of incentive to intensify, and careless farming would punish itself.

Mixed farming on family-size farms would be handled automatically by the above plan. Consider a farmer who sells whole milk and some grain for cash income. To the extent that he sells grain, he is a grain farmer and receives pro rata support. To the extent that he sells whole milk he is a dairy farmer and comes under the Federal milk-price control. In adjusting acreage limitation for a dairy farmer on a covered grain crop, he would be allowed so many acres to be fed on his farm, and then a limit be specified for excess which he would sell and on which support would be paid. If he keeps other animals, similar adjustment would be made. There would exist the possibility that a farmer would claim a covered crop to be fed, and an uncovered crop to be sold, to influence adjustment, and later do a vice versa, but a qualified field man would discover the trick sooner or later, and a penalty in the form of no allowance for fed acreage of the covered crop would deter such chiseling in general.

By the above simple plan, production of staples can be limited to adequate and safe carry-over, open-market prices would be maintained at a real-value level, total cost of support would be minimized, a safe net income of farm families would be maintained with consequent avoidance of farm-induced depressions, all accomplished with a minimum cost of administration of support.

We confess that we farmers are on the whole ignorant of legal lingo and politics, that we are misled by self-anointed farm leaders(?), but it pains us greatly to read reams of congressional blah-blah which skims over fundamentals, gets nowhere, and even

admits jokers like the storage limitation of the Eightieth Congress intended to sabotage the whole idea. For ignorant as we are, we realize fully that the big industrial leaders largely control government, are interested in low cost of living for their workers regardless of farm bankruptcies, and worry now about depressions except when they think of the battle of 1789.

It appears to us that Secretary Brannan has the aim of this plan—the family-size farm—but gets lost in a fog of details and consequent complexity. We would suggest that Senators who have had no great experience as responsible operators of family-size farms as sole support for their families, should not waste the time of the Senate by speaking on this subject from the floor. Design of a support plan should be left to Senators and others who have had plenty of such experience.

J. BLEEKER.

COATESVILLE, PA., October 7, 1949.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] on page 16, line 16 of the committee amendment.

Mr. WHERRY. Mr. President, now that the preliminaries are out of the way, and we are engaged in consideration of the farm bill, I should like to ask the majority leader if it is his intention, in the event the farm bill is not completed this afternoon, to have a night session? Several Senators have asked me that question. I thought possibly the majority leader would like to answer.

Mr. LUCAS. I am delighted to answer the question and advise my good friend from Nebraska that there will be no night session.

Mr. MAGNUSON. Mr. President, I hesitate to take up much more time of the Senate, but by reason of the fact that last Friday, when the amendment was being discussed, several Senators were not present on the floor who are now present, I want to take this opportunity, hoping I do not abuse the privilege by taking too much time, to explain what the amendment is, so that Senators will understand it.

There was some discussion last Friday regarding whether or not the language of the amendment was sufficiently clear so that it was susceptible of a complete understanding. I said at that time that I did not know how one could set forth more plainly in the English language the intent of the amendment, and I still say so after having explored the possibility, over the week-end, that we might make the language of the amendment more clear. It has been suggested humorously that if I couch the amendment in an English accent perhaps the State Department may more completely understand it, but we are still dealing with the American language.

This is what the amendment does. Section 22, which is now the law of the land, and has been the avowed policy of the Government and the Congress since the passage of the Agricultural Act of 1948, provides in effect that when certain agricultural commodities being im-

ported under trade agreements or otherwise reach a point where they may jeopardize either a price-support program or an agricultural product in short supply, or an agricultural product under control by the terms of the act, then the President of the United States shall do certain things.

First, he shall ask for a fact-finding board and give public notice of hearings. He shall consult with the Secretary of Agriculture, who knows the subject. He shall then consult with the Tariff Commission, and the facts will be presented to him. If, after the presentation of the facts he finds that the importation of certain agricultural commodities is seriously affecting the market, the price support, or the controls with respect to any mandatory provisions set forth in the Agricultural Act, he then shall have permissive authority to set import fees of a temporary nature which will help our domestic situation. That is the law of the land.

Also in section 22 of the act, paragraph (f) reads as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

In other words, we set an agricultural policy. We set it for a very good and meritorious reason. We say that when a product is controlled, either by price support or otherwise under the terms of the act, the President shall have the right temporarily to protect it by doing certain things if the facts justify it. But we also say, in paragraph (f), that the State Department may make any agreement in contravention of this section. In other words, it may completely nullify it if it wishes to do so. All my amendment does, in plain English, is to reverse that policy. It provides as follows:

No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in convention of this section.

In simple terms, it says to the State Department, "You shall not make international trade agreements in violation of law." That is all it does. This act is the law. Either we must repeal section 22, which after long hearings the Committee on Agriculture and Forestry of the Senate thought would be necessary, or we must change the policy. The effect has been that in many instances the State Department has entered into trade agreements with other countries in direct contravention of this section.

Several farm organizations, appreciating the need for this amendment in order to maintain a stable agricultural economy in this country, since they have become conscious of the amendment, and previous to this, in connection with the reciprocal trade agreements debate, have sent telegrams to Members of the Senate.

I shall read several of the telegrams:

OCTOBER 10, 1949.

On behalf our members we urge passage of Magnuson amendment to revised farm

bill S. 2522, in order to authorize protection of support price structure against nullifying imports. We believe it illogical to undertake farm price supports by one law and make it possible to completely or partially neutralize price supports by another.

JOHN H. DAVIS,

Executive Secretary, National Council of Farm Cooperatives.

(Sent to Senators GEORGE D. AIKEN, SCOTT W. LUCAS, OLIN D. JOHNSTON, CLYDE R. HOEY, JAMES P. KEM, BOURKE B. HICKENLOOPER, PAUL DOUGLAS, ERNEST W. MCFARLAND, DENNIS CHAVEZ, HARLEY M. KILGORE, MATTHEW M. NEELY, HARRY FLOOD BYRD, HENRY CABOT LODGE, JR., CARL HAYDEN, LESTER C. HUNT, PAT MCCARRAN, JAMES E. MURRAY, ELBERT D. THOMAS, HERBERT R. O'CONOR, GUY M. GILLETTE, SHERIDAN DOWNEY, FRANCIS J. MYERS, RICHARD B. RUSSELL, GLEN H. TAYLOR, Senate Office Building, Washington, D. C.)

WASHINGTON, D. C., October 8, 1949.

Urge support of Magnuson amendment to farm bill because without some such provision entire price-support program on many commodities could be nullified by occasional or unlimited imports. Any farm program to be effective must be protected if it is to work.

ALBERT S. GOSS,
National Grange.

(Sent to: All members Agricultural Committee and Senators CHAVEZ, KILGORE, NEELY, BYRD, LODGE, DOUGLAS, ELLENDER, HAYDEN, MCFARLAND, HUNT, MCCARRAN, MCLELLAN, MURRAY, MYERS, GEORGE, RUSSELL, TAYLOR, THOMAS of Utah, O'CONOR, GILLETTE.

DENVER, COLO., October 10, 1949.

Senator ELMER THOMAS,
Senate Agriculture Committee,
Washington, D. C.:

Agricultural industry increasingly alarmed over developments relative to tariff matters. The new trade agreement just announced with further cuts, the failure to include the peril point in the extension of the reciprocal trade act makes it seem tremendously important to do the one thing that remains left at this session that will be of help, namely, to support the Magnuson amendment to section 22 of the AAA Act. Hope you are in a position to do this.
AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
F. E. MOLLIN, *Executive Secretary.*

OCTOBER 10, 1949.

SENATE OFFICE BUILDING,
Washington, D. C.:

Present interpretation of subsection (f) of section 22 of the Agricultural Adjustment Act nullifies intent of Congress. Unless such interpretation is changed Government is powerless to protect agricultural programs, including price-support programs, against unlimited importation of agricultural commodities. We respectfully urge your support of Magnuson amendment to Anderson bill S. 2522 which proposes to clarify congressional intent concerning this subject.

CHARLES W. HOLMAN,
Secretary, The National Cooperative Milk Producers Federation.

(Sent to Senators ELMER THOMAS (Okla.), ALLEN J. ELLENDER, SCOTT W. LUCAS, CLYDE R. HOEY, OLIN D. JOHNSTON, SPESSARD L. HOLLAND, GUY M. GILLETTE, CLINTON P. ANDERSON, GEORGE D. AIKEN, MILTON R. YOUNG, EDWARD J. THYE, JAMES P. KEM, BOURKE B. HICKENLOOPER, Senate Office Building, Washington, D. C.)

I know of no farm organization which opposes this amendment. It does not affect the present Reciprocal Trade Agreements Act. It does not affect the reciprocal-trade program, because it is the

law of the land. Those who negotiate trade agreements should be put on notice, and it is only fair to the other countries to know that section 22 is a part of our law.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LANGER. The Senator stated that he knows of no farm organization which opposes the amendment. Is that true of the National Farmers Union?

Mr. MAGNUSON. I have no communication from the Farmers Union in support of the amendment, but most of the other organizations have sent me communications in support of the amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WATKINS. Did the Senator include the American Farm Bureau Federation in the group supporting the amendment?

Mr. MAGNUSON. I have a letter from the American Farm Bureau Federation, but it was directed to this question when we discussed it informally in relation to my amendment to the Reciprocal Trade Agreements Act. So I could not categorically state what their position is on an amendment to the agricultural bill.

Mr. WATKINS. Does the Senator have any communication from them opposing the amendment?

Mr. MAGNUSON. No; I have none. All farm organizations have been put on sufficient notice as to this proposal.

A great deal was said on Friday in opposition to this amendment, to the effect that the amendment would make necessary the renegotiation of all our trade agreements. I contend that that is not true. I do not think that would be required. I wish briefly to state my reasons why.

The Magnuson amendment to the farm bill would not and could not require the renegotiation of the Geneva agreement or any other trade agreement that was properly drawn in the first place.

The proof of this is simple and to the point. Paragraph (f) of section 22 of the AAA Act was adopted after the Geneva agreement was signed. Neither that agreement nor any other agreement could legally interfere with any section 22 program. Trade agreements are executive agreements, whereas section 22 was an act of Congress signed by the President and takes precedence over any executive agreement. What is the use of enacting laws if laws do not take precedence over executive agreements.

Paragraph (f) of section 22 was only adopted in 1948. Therefore, it could not have created any obligation on the part of the signatories of any trade agreement that did not already exist. No trade agreement has become effective since paragraph (f) of section 22 was adopted.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LANGER. Would section 22 cover not only grain, but cattle?

Mr. MAGNUSON. Yes; all agricultural products.

Therefore the changing of section 22 (f), or even its complete abolishment or its replacement, could not have any legal or moral effect on any international agreement made prior to its adoption. There was no obligation to any country to change section 22—every agreement made had to be, and was, subject to the terms of existing United States law. After the trade agreement was signed and became effective changes in United States agricultural laws could not create any obligation under the terms of that agreement. Furthermore, neither the President nor the State Department had authority under the trade-agreement law, or otherwise, to promise that Congress would alter existing agricultural laws.

If adoption of the Magnuson amendment requires renegotiation of any trade agreement, then that same agreement would have had to be renegotiated anyway because the Magnuson proposal is an amendment to section 22 (f), a section which did not exist when any trade agreement was signed.

On February 25, 1949, Mr. Winthrop Brown, testifying for the State Department before the Senate Finance Committee, made the flat statement that the Geneva Agreement contained nothing that would limit the power to put into effect section 22. Mr. Brown was quoted last Friday as being opposed to this section. I hope the Senators from Georgia and Arkansas will note that the man who was quoted by the Senator from Arkansas [Mr. FULBRIGHT], Mr. Winthrop Brown, in testifying for the State Department before the Senate Finance Committee, made the flat statement that the Geneva Agreement contained nothing which would limit the power to put into effect section 22. He did state that an absolute embargo would conflict with the spirit of the Geneva Agreement, but neither section 22 nor the Magnuson amendment contemplate or permit embargoes.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. Let me complete this thought.

I refer to pages 1223 and 1224 of the hearings on H. R. 1211 before the Senate Finance Committee. It is interesting to note—page 1224—that the Senator from Georgia [Mr. GEORGE] agreed with Mr. Brown, as I interpret his statement. I have the colloquy before me, and if Senators wish to have me read it, I shall be glad to do so.

Section 22 does not permit the imposition of absolute embargoes. It should also be noted that Mr. Brown's recent statements that some agreements would need to be renegotiated if the Magnuson amendment is adopted were not supported by any evidence. As a matter of fact he did not actually make the statement, but he did leave that impression. This was in February 1949, after the Agricultural Act of 1948 had been enacted.

In short, any agreement that was made in contravention of existing United States laws was not legal; and the adoption of paragraph (f) to section 22 could

not have created any legal aura that was missing, for if the original agreement was made in excess of existing authority, then the commitments were not binding.

Mr. President, this amendment merely indicates the intent of this Congress to give the laws which it makes precedence over States Department international agreements. That is the law. This amendment merely clarifies the congressional intent.

Mr. President, at this point in my remarks, I ask unanimous consent to have printed in the RECORD the examination of Mr. Brown by the Senator from Colorado [Mr. MILLIKIN], and by the distinguished chairman of the Finance Committee, the Senator from Georgia [Mr. GEORGE]; appearing at page 1223 of the hearings on the proposed extension of the Reciprocal Trade Agreements Act, held in February and March of 1949.

There being no objection, the excerpt from the hearings was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Is there anything in this article, Mr. Brown, referring now to the general agreements and not to the provision in the Canadian trade agreements, because the Canadian trade agreement obviously would not, which would conflict with the provision, for instance, in section 22 of the Agricultural Adjustment Act?

Mr. BROWN. No, sir. It would have an effect on the administration of that act, but it would not affect the act itself or the authority conferred by the act.

The CHAIRMAN. Just what do you mean by "administration of that act"? Under that section 22, the President himself is authorized to take steps which will prevent the negation of an act of the Congress as, for instance, in the field of agricultural production.

Mr. BROWN. That is correct, sir. And it is the purpose of this exception to permit him to do so.

The CHAIRMAN. It is the purpose of this to permit that?

Mr. BROWN. Yes, sir.

The CHAIRMAN. And it would not operate to prevent it or to restrict or limit the power, would it?

Mr. BROWN. It would not prevent him from preventing the frustration of a program imposed under or put into effect under section 22.

The CHAIRMAN. I just wanted to get your view on that point.

Senator MILLIKIN. Do you understand, Mr. Chairman, that the President would have authority to put a quota into effect to prevent the frustration?

The CHAIRMAN. Oh, yes. Or a limited quota, or restrictions of some sort. Yes. He has done so.

Senator MILLIKIN. That is my impression.

The CHAIRMAN. That is true, is it not, Mr. Brown?

Mr. BROWN. That is correct, sir.

The CHAIRMAN. The President has imposed limited quotas, at least. I do not know of any instance in which he has put an absolute embargo on and stopped all importations, even though the agricultural program might have been suffering somewhat. But he has taken steps.

Mr. MAGNUSON. Mr. President, that is about all I have to say regarding this amendment. I seriously plead with the Senate that either we should clarify this matter so that the State Department cannot make agreements in contravention of existing law, or else we should repeal the section which, in my opinion, was for the protection of American agri-

culture, and was arrived at not only after long and careful discussions and hearings, on the part of the committees, but after careful consideration on the part of the Congress of the United States itself.

RECOGNITION OF SOVIET REGIME IN CHINA

Mr. KNOWLAND. Mr. President, I shall take only a few moments to discuss the question of recognition of the Soviet regime in China.

It is my belief that recognition will not solve any problem. The next logical step to recognition of that country, with which the Congress would be confronted, would be the question of trade with the Communist regime in that country. Later, we would be told that such moves were not sufficient and there would be involved a question of financing the trade to Communist China. When that had been completed, we would be told that these moves were not a sufficient gesture of good will toward the people of that new Communist satellite, and that it would therefore be necessary for us to offer them ECA aid. If we follow the whole silly cycle, I suppose that in a short period of time it would be suggested that in order not to discriminate against the satellite powers, we should bring them in under the military-assistance program.

Mr. President, the question of recognition is one which I think is of great concern to the American Congress and to the American people. I do not believe the citizens of the United States can for long be sold a bill of goods that it is important to maintain a free world of free men by keeping 240,000,000 western Europeans outside the iron curtain, while simultaneously the Government of the United States is following a policy of giving aid and comfort to the spread of communism in Asia.

Mr. President, I recognize the fact that the British Government and the British people perhaps have great investments in the Far East. I recognize that there may be some pressures on the part of business groups for recognition. I merely wish to call to the attention of His Majesty's Government, as well as to the attention of the people of Britain and to the attention of the people of the United States, the fact that when the British Government first recognized the Soviet Union it was done with the purpose in view that by such recognition of the Soviet Union, British investments in the Soviet Union would be somewhat safeguarded or at least salvaged in part. Of course, the cold, hard facts of history are that there was no salvage of British investments in the Soviet Union as a result of Britain's recognition of that government. It is my judgment that history will point out very clearly that there will be no salvage of British investments in Communist China if the Communist regime in China is recognized. Communism has no respect for private property. It will tolerate it while it awaits a better time to digest it.

But, Mr. President, the matter has even more important implications than that. There were business groups in the United States, as well as in Britain, who

thought they could do business with Hitler, who thought they could do business with the warlords of Japan. Some of the scrap iron and oil Americans sold to Japan in the days prior to Pearl Harbor came back on us on the morning of December 7, 1941, and some of the British businessmen who thought they could do business with Hitler, and supplied Nazi Germany with machine tools and other equipment, found that equipment had been used to help fortify Nazi Germany, and some of the products of that equipment came back on them during the blitz on London and during the other air raids on Britain.

Mr. President, the Senate has a tremendous responsibility in the field of foreign relations. I do not believe the American Government necessarily has to follow a policy of recognizing, either de facto or de jure, another government merely because it has overrun by force of arms a major area of a legal government which is still functioning. To the contrary, President Woodrow Wilson clearly indicated in at least one of the Mexican revolutions, where the government of Francisco Madero had been overthrown by force and violence and the President assassinated, that the government which succeeded it was not a legal government and that, despite the fact that government then held de facto power, it was not entitled to de jure or de facto recognition. Later Secretary Stimson in his nonrecognition policy in regard to Manchuria, clearly indicated that merely because a government had established de facto power, as had the Japanese puppet government in Manchuria, that was no reason at all why the Government of the United States should give its blessing to any such government.

Mr. President, it is a fallacy to believe that there is any basis at this time or in the immediate future for the recognition of the Communist regime in China. They have had no free elections. They have an absolute dictatorship. We have only to read the proclamations of the new Communist constitution and the statements of Mao Tze-tung and the other leaders of the Communist movement, to know that it has no claim of validity or legality as being the action of the Chinese people themselves; but, rather, it is a government which has been established by force of arms over a part of China.

Furthermore, Mr. President, despite the dark days through which the Government of China is now passing, the legally recognized Government of that country still controls an area which is of the approximate geographic size of the United States of America; and still outside the Communist orbit are approximately 150,000,000 people of China, or a population approximating that of the United States of America.

Mr. President, I wish to have printed at this point in the RECORD, as a part of my remarks, a number of articles and editorials. I shall take the time of the Senate to read only one of them. It is a very able editorial which appeared yesterday in the New York Times, one of the leading newspapers, if not the leading newspaper, in the United States. I

on an atomic control commission. But the language of any treaty establishing UN control over the atom would protect all of Russia's legitimate rights. If she could not always have her way on issues left to the discretion of a control commission, the same would be true of America and every other state. Does Dr. Blackett advise us to let the Kremlin conquer all of Europe and all of Asia—so that it would then dictate to a majority of the world's nations and thus be certain of having its way on every issue, large and small?

In all of Dr. Blackett's long book only one footnote hints at what may be the real reason why Moscow opposes the United Nations plan. Is the Kremlin afraid that Russians who became UN inspectors would visit America and observe the American standard of living? Is the Kremlin fearful that these Russians would taste the heady wine of liberty—and that they would compare their own unhappy plight with conditions in the West?

Is the Kremlin perhaps afraid that western inspectors in Russia would glimpse Soviet concentration camps? Does the Kremlin fear that Europeans would observe its secret police in action, its iron-fisted control of labor unions, and the luxuries accorded members of the Communist elite as compared with the poverty-stricken lot of ordinary Russians?

Certainly the iron curtain nourishes and protects the Kremlin in many vital ways. Russia can appropriate our technical knowledge and use it to forge weapons, without offering anything in exchange. She can keep her eye on us, though we cannot keep our eye on her. She can see, but we are blind.

Even more important, the iron curtain means that Moscow can flood the western world with propaganda; Moscow can use our own democratic instruments of publicity to undermine democracy; and yet Moscow can prevent western ideas and western opinion from reaching Russia. When Vishinsky or Molotov addresses the United Nations Assembly, his words are printed in newspapers throughout the globe. When an American ventures to reply, his speech is printed only in the West—never in the East.

I gravely fear that the iron curtain has enabled the Kremlin to win brilliant victories in the propaganda war—as evidenced by Dr. Blackett's book. Since the Kremlin exports revolutionary symbols but never imports them, since the Kremlin can use the United Nations as a sounding board to magnify its voice, but can muffle the sound of anyone else's voice, Russia speaks in a roar, and we respond with a whisper.

Are these the real reasons why the Soviet opposes atomic peace? Does Moscow believe that lifting the iron curtain would result in disclosures shocking to the civilized world? Such pertinent questions are not even asked, much less discussed, in Dr. Blackett's book.

We know that anything less than effective atomic control would be worse than nothing. Under a slipshod, faulty plan neither America nor Russia could afford to assume that the other was not making atomic weapons in secret. Under such a plan both sides would consider it more dangerous to play fair than to cheat. Or, if we played fair, the Kremlin might cheat and thereby amass enough hidden weapons to threaten the world. Therefore, given a plan containing loopholes, the armaments race would continue. The control proposals we originally made; the proposals which the United Nations has studied, revised, and improved; the proposals which the great majority of mankind now supports—these proposals are the minimum necessary to safeguard one and all against foul play.

Dr. Blackett tries to argue that our insistence upon effective control is really a foolish demand for absolute security. He might as well argue that insistence upon policemen to regulate motor traffic is the

same as demanding the total abolishment of automobile accidents. Absolute security against atomic attack vanished forever on July 16, 1945, when the first bomb was tested at Alamogordo, N. Mex. Even if men established a full-blown world government, they might later fight a world civil war in which atomic weapons would be used. Even if Russia or America established an hegemony over the whole earth, a later revolt might bring atomic weapons into play. If the United Nations control plan were adopted, any nation at any time could seize the atomic plants located in its territory, exclude international inspectors, and commence producing weapons. The remaining countries, forewarned, would, of course, race to produce atomic weapons for defense. We ask only for the least restraints, the least controls which would make it safer for all peace-loving nations to destroy atomic armaments than to continue manufacturing them.

I will not dwell on the point that Dr. Blackett writes a book to attack the United Nations plan and then proposes nothing concrete in its place. The UN plan is based on an appreciation of the technical facts and the facts of nuclear physics. The spectacle of a noted nuclear physicist defying those laws and advancing vague suggestions which ignore the technical facts speaks for itself.

Nor will I dwell on Dr. Blackett's attempt to blacken our motives in using the two atomic bombs against Japan. Here he commits a logical fallacy so obvious that it could hardly have escaped his own notice; even if some hindsight commentators are right in saying that Japan would have quickly surrendered without the use of the two bombs and prior to a land invasion, President Truman lacked this knowledge at the time of his decision. Dr. Blackett apparently blames the President for failing to read the United States Strategic Bombing Survey—a document which had not yet come into existence. All the evidence shows that Mr. Truman ordered the two bombs to be dropped in the sincere belief that they would obviate a land invasion and save hundreds of thousands and perhaps millions of lives. Personally, I think that this belief was not mistaken and that many an American, British, Russian, and Japanese boy is alive today solely because the two bombs gave Japan a face-saving pretext for capitulation.

Is it not a shame that no Russian apologist for America dares express himself inside the Soviet Union? Is it not sad that no Russian apologist for America may stress our refusal to annex a single inch of territory from the defeated Axis countries? That no Russian apologist for America may tell how we demobilized our vast armed forces almost overnight? That no Russian apologist for America may describe our offer to give up the atomic bomb, to admit Russian inspectors inside our borders, and even to allow foreign operation of our atomic factories? It offends my sense of justice that apologists for the Kremlin, such as Dr. Blackett, can appeal to Western opinion, whereas apologists for the West may not so much as whisper in Russia.

I imagine that the Russian people, if they knew the details of the United Nations plan and were free to discuss it, would quickly scuttle Dr. Blackett's criticisms and would join hands with us to achieve the blessedness of real atomic peace. The No. 1 task before us, therefore, is conquest of the iron curtain.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. JOHNSON of Colorado. Mr. President, I ask the Chair to lay before the Senate a message from the House with respect to House bill 160.

Mr. MAGNUSON. Mr. President, if the Senator will yield a moment, I was

wondering how long he would take. I had hoped we could dispose of the pending amendment to the farm bill.

Mr. JOHNSON of Colorado. It will take me only about 2 minutes.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 160) to amend section 801 of the Federal Food, Drug, and Cosmetic Act, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSON of Colorado. Mr. President, this message concerns a bill which passed the Senate by unanimous consent after an amendment by the Senator from New Jersey [Mr. HENDRICKSON] was agreed to. When the bill reached the House, the House did not like the amendment. The matter was taken up with the Senator from New Jersey, and with others of the group which had sponsored the amendment, and they said it was all right with them to let the bill go through as the House wanted it. So, so far as I know, there is unanimous consent on the part of all concerned.

Mr. President, I move that the Senate recede from its amendments.

The motion was agreed to.

WILDER DAM PROJECT, VERMONT—REQUEST TO FILE ADDITIONAL INDIVIDUAL VIEWS

Mr. JOHNSON of Colorado. Mr. President, on behalf of the senior Senator from Kansas [Mr. REED] I request that he be granted permission to file additional individual views on Senate Joint Resolution 58, providing for a rehearing in the matter of the Bellows Falls Hydroelectric Corp. project No. 1892, known as the Wilder Dam project, and a review of any order of the Federal Power Commission thereon.

Mr. AIKEN. Mr. President, may I ask the Senator whether he knows the purpose of this request? I know that the Senator from Kansas, around the 1st of August, assured other Members of the Senate he was going to make a minority report, and he did not make any at all until just 2 or 3 weeks ago. In the meantime the power company had gone ahead building the dam, in complete disregard of the desires of the officials of the State of Vermont and the effect on farmers who own some 5,000 acres of class I land in the valley affected. The power interests seek delay, and the Senator from Kansas is playing right into their hands by contributing to the delay.

I am wondering if we cannot have this matter brought before the Senate. The joint resolution passed the Senate unanimously last year, and has been reported by the committee presided over by the Senator from Colorado by an overwhelming vote this year. I know there is such a thing as Senatorial courtesy, but I am wondering if there is not such a thing as carrying it too far. The farmers affected have had served on them papers in condemnation proceedings; they have been haled into court, they have to go into court right away; and the only hope is that the Congress of the United States will intercede in their behalf. They

have never had an opportunity to appeal to the courts the granting of the license by the Federal Power Commission.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Vermont knows that the Senator from Colorado and a majority of the committee have supported his position straight through.

Mr. AIKEN. I realize that, and the Senator from Kansas is the only dissenter.

Mr. JOHNSON of Colorado. He is the only dissenter on the committee. The Senator from Kansas objected to a statement that was made in the majority report, and desires to point out the inaccuracies, as he deems them, in the report. I have his report before me ready to file, so that there cannot be any possible delay, or any reason for delay.

Mr. AIKEN. Then, Mr. President, if the report is ready, that is all right. What I was fearful of was that the Senator from Kansas might take more time to prepare the report, and thereby cause greater delay.

I wish to express my appreciation to the Committee on Interstate and Foreign Commerce for the very good report which they submitted to the Senate on the joint resolution, and the position which they took, which was a position entirely fair to the State of Vermont and the farmers of Vermont and New Hampshire.

Mr. JOHNSON of Colorado. We appreciate the attitude of the Senator from Vermont.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. MAGNUSON. Mr. President, inasmuch as the pending question is the amendment I have offered, I hope we can get a vote on it without further interruption. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Holland	Millikin
Baldwin	Humphrey	Morse
Brewster	Hunt	Mundt
Bridges	Ives	Murray
Byrd	Jenner	Myers
Cain	Johnson, Colo.	Neely
Capehart	Johnson, Tex.	O'Connor
Chavez	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Pepper
Cordon	Kem	Robertson
Donnell	Kilgore	Russell
Douglas	Knowland	Saltonstall
Downey	Langer	Schoeppel
Ecton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Fulbright	McCarthy	Thye
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Gurney	McMahon	Williams
Hayden	Magnuson	Young
Hendrickson	Malone	
Hickenlooper	Martin	

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). A quorum is present.

Mr. FULBRIGHT. Mr. President, I do not want to delay the Senate and do not intend to occupy more than 2 or 3 minutes of its time. As the Senate knows, we discussed the subject thoroughly on last Tuesday, had a vote on it, and decided it. The amendment was rephrased and resubmitted, and we discussed it at great length on Friday up until the last minute of the session on Friday evening.

All I wish to do at this moment is to read again the statement of Mr. Winthrop Brown of the State Department on this subject. I read it again because I know some Senators did not hear it when I read it before into the RECORD on last Friday evening. Mr. Winthrop Brown is in charge of the negotiations under the Reciprocal Trade Agreements Act for this country.

There is obviously a difference of opinion about the significance of the amendment. The Senator from Washington says it is only carrying out the law, that it is only a clarifying amendment. The Senator from Georgia [Mr. GEORGE], who certainly knows as much if not more than any other Senator about reciprocal-trade agreements and our whole foreign-trade structure, says that in his opinion it would be disastrous to the carrying on of our foreign trade under the reciprocal-trade agreements to adopt the amendment. It does have an effect upon the general agreement on tariffs and trade, and would make it very difficult, if not impossible, to extend those agreements. Mr. Brown sums it up, not as the final answer to the merits, but he certainly would know, I think, the significance of the amendment. If the Senate chooses to adopt the amendment with knowledge of Mr. Brown's statement, of course, that is its privilege. I quote:

It—

That is, the amendment—

It would require the termination of any agreement that was in contravention of section 22. What "in contravention of" means is not entirely clear when one reads the broad and varied language of section 22 with all the findings in its provision and the proviso which it contains, but the amendment could, and it undoubtedly intended to mean, that any agreement which in any way limited the absolute right under section 22 to impose quotas would be "in contravention of," the section. If so, it is subject to the same objections as the previous amendment and would require renegotiations and possible loss of the general agreement on tariffs and trade.

It would be a major tragedy and major blow to our foreign policy to lose the general agreement. This represents years of international negotiations. It is the most important step ever taken toward world tariff reductions. Its provisions allow extensive and fair use of section 22. To break this agreement down by United States action would be a rude blow to United States prestige and disheartening to all who are looking to the United States for leadership.

It seems to me that, at the very least, we ought to give sufficient credence and acceptance to that statement to have the

amendment referred to the Committee on Finance, and it ought to be considered in the regular order in that committee and then submitted to the Senate, if it has merit in it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] on page 16, line 16, of the committee amendment.

Mr. MILLIKIN and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the Senator from North Carolina [Mr. HOEY]. If I were at liberty to vote I would vote "yea." If he were present and voting, he would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. HOEY], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Nevada [Mr. McCARRAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Oklahoma [Mr. KERR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Utah [Mr. THOMAS] are detained on official business.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from Vermont [Mr. FLANDERS]. If present and voting the Senator from Alabama would vote "nay," and the Senator from Vermont would vote "yea."

The Senator from Mississippi [Mr. EASTLAND] is paired on this vote with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Nebraska would vote "yea."

The Senator from Rhode Island [Mr. GREEN] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote the Senator from Mississippi [Mr. STENNIS] is paired with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Kansas would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from New York [Mr. DULLES], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] who is necessarily absent is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Rhode Island would vote "nay."

The Senator from Maine [Mrs. SMITH] is detained on official business.

The Senator from Nebraska [Mr. BUTLER] who is absent on official business is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Mississippi would vote "nay."

The Senator from Vermont [Mr. FLANDERS] who is absent on official business with the leave of the Senate is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Alabama would vote "nay."

The Senator from Kansas [Mr. REED] who is absent by leave of the Senate is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Mississippi would vote "nay."

The result was announced—yeas 44, nays 28, as follows:

YEAS—44

Aiken	Hickenlooper	Millikin
Baldwin	Hunt	Morse
Brewster	Ives	Mundt
Bridges	Jenner	Murray
Byrd	Johnson, Colo.	Saltzstein
Cain	Kem	Schoeppel
Capehart	Kilgore	Taft
Cordon	Knowland	Taylor
Donnell	Langer	Thye
Downey	Lodge	Watkins
Eaton	McCarthy	Wherry
Ferguson	McFarland	Wiley
Gillette	Magnuson	Williams
Gurney	Malone	Young
Hendrickson	Martin	

NAYS—28

Anderson	Humphrey	Myers
Chavez	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Connor
Douglas	Kefauver	O'Mahoney
Ellender	Long	Pepper
Fulbright	Lucas	Robertson
George	McClellan	Russell
Graham	McKellar	Thomas, Okla.
Hill	McMahon	
Holland	Maybank	

NOT VOTING—23

Bricker	Hayden	Sparkman
Butler	Hoey	Stennis
Chapman	Kerr	Thomas, Utah
Dulles	Leahy	Tobey
Eastland	McCarran	Tydings
Flanders	Reed	Vandenberg
Frear	Smith, Maine	Withers
Green	Smith, N. J.	

So Mr. MAGNUSON's amendment to the committee amendment was agreed to.

Mr. WHERRY. Mr. President, I move that the Senate reconsider the vote by which the Magnuson amendment was just agreed to.

Mr. MORSE. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The question is on agreeing to the motion to lay on the

table the motion to reconsider the vote by which the Magnuson amendment was agreed to.

The motion to lay on the table was agreed to.

Mr. HUNT. Mr. President, I call up the amendment which I submitted on Friday last to House bill 5345, and ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 7, in line 23, it is proposed to delete the period, insert a colon in lieu thereof and the following provision: "Provided, however, That in the case of new lands being brought into production for the first time in the year 1950 and which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas for a period of time not to exceed 2 years."

Mr. HUNT. Mr. President, it will be noted that I have circumscribed the amendment by applying it to only the year 1950, and that I have further limited the amendment by providing that it shall not apply for longer than 2 years.

This amendment is offered for the sole purpose of making it possible for a very few individuals, principally ex-servicemen, whom the Government has invited to take up homesteads, and settle on the land; and the amendment will make it possible for them to produce one cash crop the first year.

The Senate will understand that I have taken up this matter with the Secretary of Agriculture, and the amendment meets with his approval. I should also like to have the Senate know that I have taken up this matter with the Bureau of Reclamation.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. LANGER. I could not tell, because of the noise in the Chamber, whether the Senator stated that the Secretary of Agriculture has approved or has disapproved the amendment.

Mr. HUNT. I said the Secretary of Agriculture approves this amendment.

Mr. LANGER. I thank the Senator.

Mr. HUNT. The Bureau of Reclamation also approves this amendment.

Mr. President, this amendment will have absolutely no appreciable effect on the over-all program as set forth in the bill.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. ANDERSON. Did I correctly understand the Senator from Wyoming to say that the Secretary of Agriculture has approved the amendment?

Mr. HUNT. Certainly, that is exactly what I said; and I got it directly from the Secretary of Agriculture, not from an understudy.

Mr. President, as I said, the amendment affects so little acreage that it will have absolutely no effect whatever on the over-all program. In my State in the past few years we have been opening up new reclamation projects. We have been inviting ex-servicemen from all over the

United States to apply for those units. Week before last my colleague attended an opening or drawing at Powell, Wyo., and last week there was a similar opening in my own county of Fremont, where some 50 units were drawn by ex-servicemen. Those ex-servicemen have been invited by the Government to settle on the projects. Congress has appropriated money to make those projects possible.

But under the bill as it is now written, it is practically impossible for ex-servicemen to settle on those units and make any return, to speak of, in the first 2 or 3 years, especially in the first year, because it is practically impossible to get the land into such shape within that period of time that it will produce row crops and the other crops which are produced in irrigated areas.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. AIKEN. I wonder what the Senator's definition of "new land" would be. The Senator probably knows that on some of the old estates there is land which was producing crops 100 years ago, but since then has been abandoned, and has grown up into woodland. At times that land is cleared off again, is plowed again, and is planted to potatoes or some other crop. Would the Senator consider that such land, which had not been in cultivation for 100 years, would be "new land"?

Mr. HUNT. My answer to the question asked by the distinguished Senator from Vermont is that my conception of "new land" is land which has no previous crop-production history, land which has never been in production.

Mr. AIKEN. Then the amendment would perhaps exclude land in the East and in the South which perhaps had not been under cultivation for 100 years. Would it not be better to include such land?

Mr. HUNT. I do not quite agree with the distinguished Senator from Vermont. If an area of land has been out of production for 15 or 20 years, and subsequently comes back into production, I certainly think it should be considered new land. I think I know what the Senator from Vermont has in mind.

This amendment would apply to a small acreage of land in Michigan or Minnesota where the timber had been cut off and where some of the land is now coming into production. The amendment also would apply to a small acreage in Oklahoma or possibly in some of the delta States, where lands are being drained, in some cases by the Government, and now are coming into production. I would consider those lands as having no previous crop history.

But let me say to the distinguished Senator that including all the categories to which I have just referred, the land covered by the amendment would not amount to one-tenth of 1 percent of the total of 300,000,000 acres of land now under cultivation in the United States. So my amendment could have no effect whatsoever on the over-all crop program.

Mr. AIKEN. Mr. President, I sympathize with the purpose of the amendment, which is to make the newly irrigated land exempt from quotas for several years. On the other hand, we find that much of the fruit land in the East is old land which was in cultivation two or three or four generations ago, and then reverted to forest, but later was cleared again. Much of that land makes the best orchard sites, or can be used for other purposes. Ordinarily I would not wish to see that land excluded from consideration, although it probably would not make too much difference, either acreagewise or percentagewise.

However, I would not want all this encouragement given solely to newly irrigated lands, but I would wish to have the same advantages made available to all the other States, too.

Mr. HUNT. Of course, Mr. President, my amendment makes no reference to irrigated land, for I was quite familiar with the lands referred to by the Senator.

Mr. AIKEN. The Senator from Wyoming is quite correct about that. The amendment should not apply solely to irrigated lands, and it does not.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MUNDT. I think the Senator from Wyoming has a very splendid and useful amendment. We in South Dakota expect to have some new irrigated tracts come into production within a year or two. We also have some land which is constantly being occupied for farming by veterans and other persons who are moving on to land not previously farmed.

However, it occurs to me that the amendment in its present language could possibly have one evil consequence. In South Dakota and in some of the other States in that area we have been suffering, in the past few years, from a sort of corporation farmer who has moved in from the outside, usually from Texas or Oklahoma, with a lot of high-powered equipment, and has turned up a large amount of our very fine native pasture land and some of our buffalo grass, and has gone there as a sort of hit-and-run farmer to make a "slot-machine" killing, if he can, as a result of getting one crop, and then is prepared to move on, after having destroyed some of our fine range land. I think it would be unfortunate if this proposal should become an inducement and an encouragement to that type of practice.

I have discussed it with the able Senator from Wyoming, and have suggested an amendment to his amendment which will meet that specific situation, and which I believe he will find acceptable. I should like to read it at this time, if I may: "On line 7 of the amendment of the Senator from Wyoming strike out the period after the word 'years' and insert 'to the extent of 80 acres by any operator for any specified product'."

That would limit it to the purpose we have in mind, namely, to make these lands available to young farmers and veterans on new tracts. It would not be an inducement or an encouragement to the practice we are trying to stop, in our

part of the country. I wonder whether the Senator will accept the modification.

Mr. HUNT. I may say to the distinguished Senator from South Dakota, I am glad to accept the modification. Did the Senator indicate the number of acres to which it is limited?

Mr. MUNDT. Eighty acres.

Mr. HUNT. That is very agreeable, so far as I am concerned. I may say that for my people, a limitation of 20 acres would be agreeable. However, I am very much pleased to go along with the 80-acre provision.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 7, line 23, it is proposed to delete the period, insert colon and the following provision: "Provided, however, That in the case of new lands being brought into production for the first time in the year 1950 and which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas for a period of time not to exceed 2 years to the extent of 80 acres by any operator for any specified product."

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. LANGER. I understood the Senator to say the amendment was for the benefit of the veteran.

Mr. HUNT. Yes.

Mr. LANGER. Eighty acres would not be enough for a man taking up a quarter of a section under the irrigation law.

Mr. HUNT. I may say to the distinguished Senator from North Dakota, the units are limited to 160 acres. In the past, these homesteaders have gotten all their acreage under cultivation within 10, 15, or even 20 years. As I suggested, for my people in Wyoming, settling on the reclamation projects, I would accept a limitation of 20 acres. Under the present law, or under the bill as it is now written, they will get about an acre and a half each.

Mr. MUNDT. I thank the Senator for accepting the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming, as modified.

Mr. ANDERSON. Mr. President, has the Senator from Wyoming concluded?

Mr. HUNT. I had not quite concluded my remarks.

Mr. ANDERSON. I shall wait until the Senator concludes.

Mr. HUNT. Mr. President, I want to read a letter from one of the ex-servicemen who have settled on the allotments. The letter is addressed to the junior Senator from Wyoming, and reads as follows:

SHOSHONI, WYO., September 2, 1949.

HON. LESTER C. HUNT,

United States Senate,

Washington, D. C.

DEAR SENATOR: We have our next regular homesteaders meeting next September 13. If you have been able to make any progress regarding special wheat allotments for this new land I would like to make a report of it at this meeting. Several of the homesteaders have asked me recently if I had received any additional information.

Wheat allotments for 1950 have already been made as set up under the present ruling which is 3 percent of the counties total wheat acreage. Fremont County has a total acreage of about 5,500. So that gives 165 acres to be divided up between 55 of us new fellows or 3 acres each. Of course that varies with the individual farms. As you can see that is very insignificant. Then too, as time goes on other crops will come under allotments. So unless there is a law or ruling to permit special crop acreage allotments to new land with no previous crop history we will be in very dire circumstances. We feel this is a very urgent matter.

With best wishes,

CARROLL A. RIGGS.

Mr. President, I also have a letter urging acceptance of the amendment from the Congress from the United States Department of Agricultural Council in the State of Wyoming, composed of various agricultural organizations. I shall not take the time to read the letter, but merely to say it urges adoption of the amendment and makes a special plea for these men who need so badly to have some cash crop the first year they are on the projects.

Mr. President, the amendment I have offered is not merely of a great interest to the State of Wyoming, but should be of interest to the Senators from other States which have a similar problem.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. WHERRY. In view of the statement just made by the distinguished Senator from Wyoming [Mr. HUNT], that other States are interested, I should like to say to the Senator that we in Nebraska have new lands which will come into production during the current fiscal year, and that there are several projects, some of which will bring in land next year. Naturally we are intensely interested in the waiving of the acreage limitations and marketing quotas on the new land. I wish to commend the distinguished Senator from Wyoming for offering the amendment. I think the modification suggested by the Senator from South Dakota, which has been accepted by the distinguished Senator from Wyoming, will be most helpful in having the amendment adopted by those who might otherwise attempt to secure quotas and acreage limitations on larger tracts.

There is one question I should like to ask the distinguished Senator from Wyoming, which I think ought to be made clear in the record.

The language of the amendment is:

Provided, however, That in the case of new lands being brought into production for the first time—

And so forth. What is the Senator's definition of "new lands being brought into production for the first time"? Is it applicable to irrigation only, or does it apply to land on someone's farm that is not in cultivation but which can be plowed and considered as new land? I believe if the Senator from Wyoming will make an observation on that point it will be helpful in the record.

Mr. HUNT. I thank the distinguished minority leader for his remarks. My definition of what should be considered

as new lands would include lands from which the timber is being cropped, say in Michigan and in Minnesota. I would consider as new lands the lands which are now being drained in Oklahoma, even though, a long period of years ago, they may have had some production. I did not limit the amendment purely to irrigated agricultural lands, for the reason that I anticipated other Senators would want some lands in their States included. But I again want to say that the inclusion of all these lands, in all these categories, would make absolutely no appreciable difference in the crop plan.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MUNDT. I wonder whether the Senator from Nebraska has not, along with the Senator from Vermont, put his finger on an ambiguity of language which will make the provision rather difficult to administer. The language is, "that in the case of new lands being brought into production for the first time in the year 1950." The language "being brought into production for the first time" must mean for the first time. I wonder whether this is not what is sought to be expressed—in the case of new lands being brought into production for the first time since the passage of the Agricultural Adjustment Act of 1938; in other words, "brought into production for the first time" since this program has been in effect. I think if the Senator will offer an amendment along that line, he will meet the suggestion of the Senator from Vermont [Mr. AIKEN], and resolve the ambiguity, which I think is very real, as the language now reads.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. AIKEN. I think it would help considerably if we went back to the year 1938. Most of the tillable land in the East was put under cultivation during the war period. Land that had been used before was put to work during the war, and of course there are quotas. There is an historic basis for fixing quotas on it. I think the acreage that would be put to use, which was not in use since 1938, would be pretty small.

Mr. MUNDT. It would be very small.

Mr. AIKEN. But I can conceive of orchards being planted on that type of land. In fact, I have known of land which has been cleared for the planting of fruit trees. I would not really want to exclude that.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. HUNT. I yield.

Mr. MUNDT. I am sure if the language is left as it is, it will defeat some of the objectives the Senator has in mind. Some of our irrigated land has been farmed at some time in the past, by way of dry farming and through other methods. I am sure the Senator wants such land to be covered by the amendment. I think if the Senator would change the language in the direction I suggested, it would improve the workability of the amendment.

Mr. HUNT. I agree with the Senator from South Dakota, and again I express

my appreciation for his suggestion. Therefore I would modify my amendment to read as follows:

Provided, however, That in the case of any lands being brought into production for the first time since the passage of the Agricultural Adjustment Act of 1938—

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator from Wyoming further modifies his amendment according to the language which he has just read?

Mr. HUNT. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HUNT. I yield to the Senator from Nebraska.

Mr. WHERRY. Does the Senator strike out the words "in the year of 1950," or are they left in?

Mr. HUNT. That is rather immaterial. I believe the words "in the year of 1950" are left in, because it will not become effective until the year 1950. It is rather immaterial, but I believe it will be helpful to leave those words in.

Mr. WHERRY. If I may make a suggestion—of course I am not in any way trying to rewrite the Senator's amendment—it seems to me it could be done in this way, and I should like to know the reaction of the Senator from Wyoming to the suggestion:

In case of new lands being brought into production for the first time—

Then skipping the words "in the year of 1950"—

which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas for the year 1950 and for a period of time not to exceed 2 years.

I think that will make the amendment grammatically correct and will carry out the intention of the Senator from Wyoming.

Mr. HUNT. I thank the Senator very kindly. I agree with the Senator, and will modify my amendment in that way.

The PRESIDING OFFICER. The Senator from Wyoming further modifies his amendment in accordance with the language just stated.

Mr. HUNT. I shall read it for the benefit of the Senator from New Mexico [Mr. ANDERSON]. I shall read the whole amendment as it has now been modified:

Provided, however, That in the case of new lands brought into production for the first time since the passage of the Agricultural Adjustment Act of 1938 and which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas in the year of 1950 and for a period of time not to exceed 2 years.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MUNDT. Mr. President, in order that the RECORD may be complete, will the Senator also read the concluding language?

Mr. HUNT. I say to the Senator from New Mexico that as I stated the amendment it did not include the modification by the Senator from South Dakota.

Mr. President, in conclusion I should like to say that it is certainly inconsistent, if it is not almost ridiculous, that

we should invite ex-servicemen to take up units of land and start to make homes for themselves, and at the same time, through the passage of an act, say to them, "You can produce only an acre or up to 3 acres of wheat." That is the cash crop which they need in order economically to survive for the first year or two on the new lands. Let me say that I am speaking from close and intimate knowledge, for the projects which I have in mind are in my own State, and one of them is in my own county. I am not asking for anything which will injure the farm program in any way. It will allow ex-servicemen taking up new lands to produce a cash crop and exist until such times as they have an opportunity to acquire machinery, stock, and so forth, which requires time and money to accomplish.

The PRESIDING OFFICER. The Chair suggests that the clerk state the amendment as modified.

The CHIEF CLERK. On page 7, line 23, it is proposed to insert the following provision: "*Provided, however, That in the case of new lands brought into production for the first time since the passage of the Agricultural Adjustment Act of 1938 and which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas in the year of 1950 and for a period of time not to exceed 2 years, to the extent of 80 acres by any operator for any specified product.*"

Mr. ANDERSON. Mr. President, I now know what it feels like to be about to cut one's own throat. This amendment could be of tremendous benefit to me in a particular problem in my own State where, in one section of the State, by the use of pumping, cotton acreage has been increased since the passage of the Agricultural Act of 1938 from zero to 60,000 acres. Every acre, under this amendment, would get a cotton history and would be allowed to come into the program. The amendment would be of deep interest, I am sure, to the State of California, where 50,000 acres have just been brought in in one area under cooperative arrangement with various persons. All they have to do is to transfer 80 acres to a single operator. It might be 80 acres of wheat, 80 acres of cantaloupes, 80 acres of cotton, and so on down the list. The limitation is restricted only by the number of agricultural commodities in the spectrum, if there is such a word relating to agricultural products.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. O'MAHONEY. Does the Senator not recognize that since the amendment offered by my colleague places the administration of the amendment solely within the power of the Secretary of Agriculture, any such "ring-around-the-rosy" as the Senator now mentions could easily be stopped by administrative action?

Mr. ANDERSON. I recognize that, but I also recognize that the Secretary has approved this amendment, so I assume he approves the "ring-around-the-rosy."

Mr. HUNT. Mr. President, will the Senator yield?

Mr. ANDERSON. I shall be glad to yield.

Mr. HUNT. Does not the distinguished Senator from New Mexico realize that the Secretary of Agriculture carefully analyzed and definitely understood what his authority would be if the amendment should be adopted, and that is why he gave it his approval?

Mr. ANDERSON. I recognize that the farmers prefer to get their acreage by virtue of law and not by virtue of the largesse of the Secretary of Agriculture. They do not care to come to the Secretary with their hats in their hands and say, "Please give me 80 acres. I want to plant cotton in the Tucumcari project in New Mexico." They want to say, "By virtue of the law passed by the Congress of the United States and by virtue of the history I have accumulated, I am entitled to acreage."

I hate to say this, because no one is more sincere than is the distinguished junior Senator from Wyoming. I know the problem of which he speaks. I think it needs to be corrected. I submit to him that this amendment does not correct it. I am sure his amendment would be better with the 80-acre limitation, but not for any specified product. I think the Senator from South Dakota ought to urge the modification of the amendment so that only 80 acres in total could be used by any one operator. But I respectfully suggest that this is not the place to write corrections in connection with our cotton acreage and our limitations as to wheat acreage and various other things.

There was a bill before the Senate Committee on Agriculture and Forestry to correct the cotton acreage situation. We spent 6 weeks holding hearings. The bill has been passed and signed. To it were added a limitation on peanut acreage and a limitation on wheat acreage. I was not very happy over the suggestion offered by the distinguished senior Senator from Colorado [Mr. JOHNSON] or by his colleague, the junior Senator from Colorado [Mr. MILLIKIN], but we have worked out a compromise which I thought was satisfactory. This amendment, in my opinion, throws it wide open and says to anyone, "If you wish to go out and tear up the terrain of the State of Colorado or the State of South Dakota, so long as you can bring in new land by 1950 you can have 3 years in which to get history and you can go ahead."

Mr. MUNDT. It is to extend to only 80 acres.

Mr. ANDERSON. I understand that, but I understand also that can be multiplied by as many digits as there are.

Mr. MUNDT. It represents a very small factor.

Mr. ANDERSON. I, too, come from the State of South Dakota and my people once owned a great stretch of land west of Okaton in that State. That particular area was the center of a cattle trade and we owned a good deal of land along a river. That land became valueless because in the period after the First World War people rushed to areas where wheat

grows and ripped up the buffalo grass, which the Senator from South Dakota is as anxious as I am to preserve, and that land has not been worth anything for a whole generation. Now, again, it is becoming valuable as pasture land, where the topsoil is knit together, and I hope we will not start to rip it up again.

Mr. HUNT and Mr. THYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I yield first to the distinguished author of the amendment.

Mr. HUNT. Let me suggest that the amendment to my amendment offered by the Senator from South Dakota be further modified to the extent of placing the word "one" after the word "any," making it read "to the extent of 80 acres by any one operator."

The PRESIDING OFFICER. Does the Senator offer that as a modification of his amendment?

Mr. HUNT. Yes; I do.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. THYE. Mr. President, if the Senator from New Mexico will yield, I should like to make one comment, namely, that the amendment would definitely permit any man to go into a section in the West which had absolutely no wheat, as the Dakotas and Montana have, or into any other area which is now grazing area, and rip it up. In other words, the amendment would also make it mandatory that they do it in order that they might establish a wheat acreage. Much damage could be done to the grazing areas of the United States by this amendment because it is not confined to reclamation projects; it is not confined to irrigation; it is opened up to every piece of grazing land that lies between the Mississippi and the Rocky Mountains. That is where there will be tracts of land broken up that are now grazing land in order that those owning the land may qualify themselves under the act so that at any future time they will have the wheat acreage as a base and go back on some land that today would be adapted to wheat production. If a man had, let us say, a thousand acres of grazing land up on the slopes which had always been in grass, and 500 acres which he had been farming, he would go up and establish his wheat acreage on the slopes in order that he might have it to use on the bottom land when the time came that the act expired.

Mr. HUNT. Mr. President, may I ask the Senator a question?

Mr. ANDERSON. I do not know whether I can yield to the Senator to permit him to ask a question, but I ask unanimous consent that I may yield to the Senator from Wyoming for the purpose of asking the Senator from Minnesota a question.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. HUNT. If I may ask the distinguished Senator from Minnesota a question, does not the amendment provide that the Secretary of Agriculture is "hereby authorized"? It is at his discretion. The Senator understands, of

course, that the Secretary of Agriculture is intensely interested in this piece of legislation. I think the Senator from Minnesota is entirely in error when he is of the opinion that the Secretary of Agriculture is going to allow to happen anything of the nature he suggests. I call his attention again to the fact that the amendment is limited to 80 acres, so that it would be impossible for anyone to open up a thousand or five hundred acres.

Mr. THYE. Mr. President, if the Senator from New Mexico will yield, I should like to state that I recognize that it is confined to 80 acres to any one individual, but there could be many who could qualify under the 80-acre provision. The entire concern is, as the Senator stated last week, that what he is trying to reach is the limitation which has been established on a reclamation project, but he does not confine the amendment to reclamation projects. He opens up the entire West, wherever there is any grazing area that has not been subject to the plow for the past 10 or more years.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. THYE. I cannot yield, but I should like to have the Senator have the privilege of replying.

Mr. ANDERSON. I yield to the Senator from Wyoming.

Mr. HUNT. Does not the Senator from Minnesota remember that when I presented this amendment to the committee, the committee was in great haste to report the bill and, with all due respect to the committee, let me say I think they acted very hastily, and did not give it due consideration. Does not the Senator distinctly remember that these other areas were incorporated primarily at his request because it did not apply to the people of Minnesota who might want to plant some acreage of land which had been cropped for timber?

Mr. THYE. If the Senator from New Mexico will yield, I will say to the Senator from Wyoming that that is entirely true. He certainly would not approve any Member of the Senate standing and watching his own State's producers sacrifice wheat acreage to some other section of the United States. I merely sought to bring that question out in order that we might have full light on the entire question, and see how far it would carry us in the event such a proposal were agreed to.

I recognize that under the Senator's amendment we could go up into the brush land and plow down the brush land open up an area that had not been cropped, and put it to wheat in order that we might take full advantage of the legislation the amendment proposes. But I am not so concerned about the brush land of my State, Minnesota, as I am concerned about the fact that we might recreate a dust bowl. We have far too much wheat acreage in the Southwest now that originally was grazing land, and we have endangered our grazing area by opening it up to a wheat crop during the war years, when it was so advantageous to do it because of the price of wheat. The combine and the

great power that is available in tractors of all kinds made it possible to rip up grazing land in just a matter of a few days. So we have opened up too much grazing land, we have far too many wheat areas in production today, and we do not know what we are going to do with the surpluses.

Mr. President, I fully sympathize with the Senator to this extent, that he is trying to cover producers who have settled on reclamation projects which are today new, but the Senator's amendment goes beyond reclamation projects. His amendment goes to every grazing area in the West. If this amendment shall prevail, I do not know where we are headed, either in wheat production or in tearing up the sod of the Western States.

Mr. HUNT and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I should like to yield further to the Senator from Wyoming to complete his statement. Then I shall be glad to yield to the Senator from North Dakota. I shall be happy to yield the floor in a moment, but I should like to make one or two more statements.

Mr. HUNT. Mr. President, I should like to say to the distinguished Senator from Minnesota that I think all his fears are entirely unfounded. We have all had our lesson with reference to plowing up pasture lands and grazing areas, and putting the land into new crops. We have all had that lesson in the West. We know it has been done in the past, but is not being done now.

Mr. THYE. If the distinguished Senator from New Mexico will yield to me, I would say to the Senator from Wyoming that we have had our lesson. Yes, we learned our lesson during World War I, but our memories were short. We as a Nation found it necessary to plant shelter belts in the attempt to check the winds which were eroding the entire western area. But unfortunately, as soon as the rains came, and the dust-bowl condition no longer existed, we forgot the days of yesterday, and the plow again went out to turn under what nature had been able to heal in a few years. We turned the sod back under, wheat has flourished there in the past few years, and we are absolutely ripe for another dust bowl.

The entire Midwest yesterday was torn by a wind of from 60 to 90 miles an hour. If such a wind should ever hit the great Southwest again during any growing season of the year, devastation and destruction could again come to the land surface of that area. So for that reason I say that we learned our lesson, but we forgot it.

Mr. HUNT. I will say to the distinguished Senator that is not the case in my State.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LANGER. May I call to the attention of the Senator, in the form of a question, the fact that last year and the year before in the Northwest, we could break up lands for flax which sold

for \$6 a bushel, and that under the law at that time the county AAA committee had to give consent before any land could be taken for that purpose. Is the Senator from New Mexico familiar with that situation?

Mr. ANDERSON. Yes.

Mr. LANGER. Why would not that be a good provision to insert in the pending bill? Would it not prevent land which is not fitted for a crop to be broken up?

Mr. ANDERSON. I was going to suggest to the distinguished Senator from Wyoming that he make some modification of the amendment so that if the Senate should adopt it, it could at least be carefully reviewed.

Mr. President, I desire to answer those who feel that the farmers will grant to any Secretary of Agriculture the right to determine what their acreage allotment will be. I remind Senators that the distinguished Secretary of Agriculture sent to the Committee on Agriculture and Forestry of the Senate a proposal for a cotton acreage bill, which carried a provision that there should be reserved 3 percent of the national quota for allocation to new areas, and, without a single exception, every cotton-growing State was against it. Each cotton State wanted to make its own allocations for new areas, and they compelled us to write in the provision that 10 percent should be set aside within each State. In other words, instead of taking 25,000,000 acres of cotton, or 21,000,000 acres of cotton, and saying that the Secretary of Agriculture could take 3 or 5 percent of that acreage and allocate it over the whole country, the cotton bill, as it finally emerged after long conferences with the cotton producers, contains a provision that the State of Texas can take 10 percent of its 7,500,000 acres, namely 750,000 acres, and put it where it wants—that is for new areas and for new farmers.

If we were to vary from that principle we would arouse to wrath the farmers who have preserved these acreage allocations with great care, because they are a part of the value of their farms and they do not want it wiped away even though the situation the Senator deals with is worthy and deserving of consideration.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WHERRY. Does the Senator from New Mexico now interpret the amendment of the junior Senator from Wyoming, which has been modified, to include the provision that there shall be a limitation of 80 acres to any one operator to mean that an operator can plant up to 80 acres of wheat, and then another 80 acres of corn, and then another 80 acres of something else; or does the distinguished Senator from New Mexico interpret the language to mean that one operator can plant only 80 acres in some cultivated crop? I think that is the point we have to determine.

Mr. ANDERSON. I am happy to take it in the restricted manner that the Senator from Nebraska, I am sure, means.

I remind the Senate that the distinguished senior Senator from Kentucky

[Mr. CHAPMAN] on the Senate floor a couple of days ago pleaded for the right to reduce the tobacco acreage from nine-tenths of an acre to five-tenths of an acre. But under the proposed amendment a farmer could go into Kentucky and take some cut-over land and put in 80 acres of burley tobacco or he could go into North Carolina and put in another 80 acres of flue-cured cigarette-type tobacco. That applies all over the United States. If that is what the Senate wants, the Senate can vote for it. As for me, count me out.

Mr. WHERRY. Mr. President, will the Senator again yield?

Mr. ANDERSON. I yield.

Mr. WHERRY. I am deeply interested in this subject. When I rose I was thinking more of reclamation land which is going to be brought under irrigation. That is why I asked the distinguished Senator from Wyoming to define what he meant by "new land." I think the Senator will recall my question. What I am trying to do now is to find the interpretation which the distinguished Senator from New Mexico, the former Secretary of Agriculture, would place upon the modified language. I gather from the Senator's remarks that he feels the amendment means that only one operator can bring in 80 acres of new land, so there is no dispute about that. But the distinguished junior Senator from New Mexico also stated that unless there is a further limitation to comply with all other limitations which are placed on such commodities as tobacco it is his opinion that it would nullify the acreage limitation in burley tobacco, for example.

Mr. ANDERSON. Oh, yes; there can be no question about that. The Senator from Wyoming does not mean to do such a thing as that at all. I know he does not mean to do that. I am not trying to take advantage of him. That is why I suggested to him previously that if his amendment could be modified to provide for the case of new lands being brought into production in the year 1950 for the first time under Federal reclamation projects—I do not care whether they are brought in for the first time before 1950, because it takes a long time to get reclamation projects into operation—I would not be averse to having some such amendment as that go to conference and see if it could be worked out there.

But there are many problems which simply cannot be worked out. Today if one could have 80 acres without regard to limitations it would open wide the door to all sorts of abuses. While I grant that I do not think the Secretary of Agriculture would want to proceed in that way, I remind Senators that great pressure can be brought to bear. For example a man may say "I am a veteran, and I want only 1 acre of tobacco. I fought in France. Surely I am entitled to 1 acre of tobacco." What can be said to that individual? The Secretary would almost have to allow him the acre of tobacco. When such a thing is begun, in a very short time the whole tobacco-restriction program is broken down. Tobacco is already suffering by virtue of the tremendous increase in production and we no longer can make our limitations

effective without cutting every large operator nearly 25 percent in order to get a 10-percent reduction. Those are aspects of this problem.

I am only trying to suggest to the distinguished Senator from Wyoming, who has first-hand acquaintance with the matter, and I know how deeply he feels about it, that he insert restrictive language which we can carry to conference and there try to agree on something still germane to his amendment. But do not make the door wide open and destroy farmers' wheat-acreage limitations of which they are proud. I know there was a time, in the western areas of Texas, when land sold for several hundred dollars higher if it had a cotton quota along with it. And if the law should provide that one can bring in some new land and automatically acquire a cotton quota by 3 years of planting, as would be done under this amendment, I submit that great violence would be done to the whole program.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. O'MAHONEY. I should like to ask the Senator from New Mexico if it is his understanding that the amendment or modification, which, during the course of the discussion, my colleague accepted, the modification appearing at the conclusion of his amendment, constituting a limitation upon the area on which the waiver may be granted, and reading, "to the extent of 80 acres by any one operator for any specified product," means that the waiver is only for a total of 80 acres for any one operator, and that it does not mean that the operator may have 80 acres for every product he may desire to raise.

Mr. ANDERSON. I do not know that my opinion would be worth nearly so much as that of the senior Senator from Wyoming, who is a lawyer. I am not. But if I were given the responsibility of interpreting it I would interpret it to mean 80 acres for any one operator for any one product. He might have a second product, a third, or a fourth. He could go as far as he wished.

Mr. O'MAHONEY. I am certain that my colleague did not intend that. The purpose of the Senator from South Dakota, who made the suggestion in the first place, was to have an over-all limitation of 80 acres, no matter what products were planted.

Mr. ANDERSON. Then it should be limited to 80 acres by any one operator.

Mr. O'MAHONEY. I suggest to my colleague that if he would accept the elimination of the four words at the end, "for any specified product," and place a period after the word "operator," all doubt on this score would be eliminated.

Mr. HUNT. Mr. President, I thank my colleague for that suggestion. I am very pleased to accept it. I therefore further modify my amendment by deleting the four last words of the modified amendment, "for any specified product."

The PRESIDING OFFICER. The amendment is so modified.

Mr. O'MAHONEY. Mr. President, I should like to say a word or two in support of my colleague's amendment. I

quite agree with him that the fears which have been expressed here are largely fears and are not supported by the language of the amendment itself. It has been offered in a good-faith attempt to make it possible for new settlers, wherever they may settle, whether on reclamation projects or elsewhere, to have an opportunity to participate in a very small degree, even though they may not have had a prior history.

The amendment contains several qualifications. It refers only to new lands being brought into production for the first time since the passage of the Agricultural Adjustment Act of 1938.

There is an additional qualification that such lands must be lands "which have no production history." If they have a production history at any time they are not within the terms of the amendment.

Then there is the additional provision that the authority is granted to the Secretary to waive acreage allotments or marketing quotas. It is not made mandatory upon him. He must take into consideration the circumstances in each individual case.

The lands to be covered constitute only a minor fraction of the lands involved in this bill. There is slight possibility, if any, that any abuses could be practiced under the language of the amendment. That is particularly so because of the last modification which was accepted, which provides that the extent of waiver in any event shall not be more than 80 acres for any one operator, no matter how many products are involved.

Mr. President, I certainly hope the amendment will be adopted.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MUNDT. Does not the Senator from Wyoming agree with the Senator from South Dakota that, since this amendment would merely confer authority upon the Secretary, in all probability before granting a waiver he would confer with the local PMA committees and that local advice would flow to the Secretary?

Mr. O'MAHONEY. Without question the law would be administered in that manner. This is not an attempt to grant a waiver with respect to the over-all policy. It is merely a recognition of the fact, first, that in connection with reclamation projects, for which the Government of the United States is making substantial appropriations, thousands of veterans are seeking to obtain authority to settle upon them. After having settled upon such projects, they should not be barred from planting the appropriate crop in the area in which they reside.

My colleague did not want to place himself in the position of saying that this waiver should be granted only to those who settle on reclamation projects. There may be those who are new settlers in other areas. Therefore the amendment should be stated in language broad enough to include them: provided, however that it is clearly understood that these are new lands to be brought in since 1938, and that they are lands which

have no production history with respect to any such product.

Mr. MUNDT. The aggregate is bound to be very small, since it applies only to lands which were not under production during the war years, when all farm products were extremely high priced. It is certain to apply to only a small amount of acreage in the aggregate.

Mr. O'MAHONEY. I am sure that, if the distinguished Senator from New Mexico will take the amendment to conference, he will find little difficulty in working it out in such a way that it will clearly mean for everyone precisely what has been prescribed.

Mr. ANDERSON. Mr. President, not only could I not accept the amendment but I shall certainly insist upon the yeas and nays, because this amendment strikes at the very heart of the acreage system in this country.

Mr. CAPEHART. Mr. President, I rise to take 2 or 3 minutes of the time of the Senate, primarily because of the debate on the amendment which we are now considering, which brings forcibly to my attention, and should bring forcibly to the attention of every other American and every farmer the situation in which we now find ourselves.

I am wondering if the American farmers and the American people, and we ourselves, realize that we are now debating, and possibly are about to adopt, an amendment which gives an American who owns land the right to cultivate that land, the right to sow that land to crops, and to make a living from it. Do Senators realize that that is exactly what it means? That is exactly what we are talking about.

Mr. President, I have been in every State in the Union. I know that there are literally millions of acres of uncultivated land, much of which should not be cultivated, and much of which should be irrigated and developed.

I cannot help saying something about the philosophy which we have adopted, of stopping the future progress of this Nation. Here we are, debating a little amendment, and trying to determine whether or not a man should have the right to cultivate or irrigate 80 acres of land and put it to crops to make a living from it. We certainly do not have the answer to the farm problem. I do not say that in criticism of anyone. But to curtail production, to deny a man the right to use his land to grow crops without coming to Washington for permission to do so, to me is simply un-American. It is directly opposed to the principles which have made this Nation the greatest nation in the world. I cannot help but wonder if the farmers of America and the people of America realize why this amendment becomes necessary under existing laws. I am wondering if they understand the situation.

I am confident that we do not have the answer to this problem, because if this amendment is necessary—and it is necessary—then we are saying to the American people, "You who own land and have a production quota are going to have a seniority right over all other Americans who do not own land, and a seniority right over all the land in Amer-

ica which is not now under cultivation, and over many tens of thousands of acres which are now in woods, as well as the many millions of acres which might well be irrigated, and which would be very productive." It makes me wonder. It makes me shake my head. I feel very badly about it.

I do not know whether I shall vote for the amendment or not. Possibly all Senators should vote for the amendment. Of course, I do not know that I want by my vote to deny any American, anywhere in the United States, the right to till 80 acres of land. On the other hand, I agree with the able Senator from New Mexico that the amendment absolutely will break down the workability of the existing agricultural law and the existing philosophy of our Government toward agriculture in America, which is a philosophy of regimentation.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DONNELL. I should like to ask the Senator what he thinks about the advisability of giving the Secretary of Agriculture discretion to waive the acreage allotments on one man's piece of land, but not to waive them on another's land. Is not that one of the things the amendment will do?

Mr. CAPEHART. Perhaps it will, but I doubt it.

Mr. DONNELL. I should like to make my question clear, if the Senator will yield further.

Mr. CAPEHART. I yield.

Mr. DONNELL. The amendment now says that in the case of new lands, and so forth, the Secretary of Agriculture is authorized—not commanded or directed, but authorized—to waive acreage allotments to the extent of 80 acres by any one operator. Does not such a provision give the Secretary of Agriculture the right to say to John Smith, "I waive the acreage allotment for you, for 40 acres of land," but to say to Tom Jones, "I will not waive the acreage allotment for you for any amount of land"?

Mr. CAPEHART. I believe that is a correct interpretation of the amendment.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HUNT. I should like to say, in answer to the question asked by the distinguished Senator from Missouri, that we must take into consideration the fact that the new settlers who have come on the land are without farm machinery. The farmer about whom the Senator spoke has his farm equipment. We must remember that when the homesteader comes to the land, the land is not level. The farmer about whom the Senator spoke is now using level land. The homesteader, when he comes to the land, has no fence around the land. The farmer of whom the Senator just spoke has fenced land. The homesteader has no home on the land, no barn, no stock. Yet at the present time he will be placed on a basis of equality with a farmer, perhaps in the same area, who has been a successful farmer over a period of years, and who not only has all the improvements

and advantages which we have just mentioned, but also has a bank account.

Mr. CAPEHART. Mr. President, let me ask the Senator, does not it make big tears come into his eyes to realize that the farmers he has just described have to get permission to farm the land?

Mr. HUNT. Is the Senator referring to the ones I have just described?

Mr. CAPEHART. I am referring to the ones who will come within the provisions of the amendment, and to the idea that any man who owns land in the United States, and who may wish to till 10 or 20 or 40 or 80 acres of his land, has to get permission from Washington before he can till it.

Mr. HUNT. Yes, I do; and I think it is ridiculous that we invite ex-servicemen to take up these units, and we appropriate money in order to make irrigation projects available to them, and during the war the Senator from Indiana and I and all other Senators said, "Nothing is too good for these men, and we will do everything we can for them when they return"; but now we write into the bill a provision which will make it impossible for them to produce wheat on even 1 acre of land.

Mr. CAPEHART. But if we write the amendment into the law, we shall break down the existing allocation structure to the point where it will not work.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. ANDERSON. The very situation the Senator from Wyoming points out with reference to an isolated tract of irrigated land will apply to all other land in the United States. There may be in the projects veterans who will buy land which has tobacco or cotton allocations; but now the Senator's amendment starts to remove those allocations in order to clear up what I admit is a very regrettable situation.

Mr. CAPEHART. I admit that the amendment possibly would break down the allocation law under which we are operating today. For instance, I have about 80 acres of woodland on my farm. Under this amendment, I would be able to clear the timber off that land and put the land into cultivation, and I would come to Washington and get an allocation for the 80 acres. I suppose similar steps might be taken in tens of thousands of cases, with the result that the philosophy of the law under which we are working today would thus be broken down.

But what I feel so badly about is that at the moment we have a system which places us in the middle, so to speak, so that although we should permit any American who owns 5, 10, 15, or 20 acres of land to cultivate that land and grow food on it, yet today he has to come to Washington and obtain permission to raise food on it.

On the other hand, we have placed ourselves in a position where, if we do permit him to obtain that permission, we break down the present system under which we are operating.

The entire situation shows that we in Washington do not have brains enough to be able to handle the problem properly. If we start out to do one thing, we run

into complications in regard to other things. We simply do not have in Washington the brains necessary for doing a satisfactory job.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. DONNELL. The Senator from Indiana seems to place on one side the veteran homesteader and on the other side the old-established farmer. However, that is not what I meant.

I ask the Senator if he understands from the amendment that it gives the Secretary of Agriculture the power to discriminate and distinguish as between homesteaders.

Mr. CAPEHART. That is correct.

Mr. DONNELL. In other words, John Smith, a homesteader, might say to the Secretary of Agriculture that he wished to be free from acreage allotments; and the Secretary of Agriculture could, under the provisions of this amendment, agree that he would be free. But Bill Smith, also a homesteader, might make a similar request of the Secretary of Agriculture, and, under the amendment, the Secretary of Agriculture could say, "I do not have to do it, and I will not do it."

Is not my construction of the amendment correct?

Mr. CAPEHART. I think so. As I understand the amendment, the Secretary of Agriculture could say to CAPEHART, "You may cultivate 80 acres," and he could say to the able Senator from Missouri, "You cannot cultivate 80 acres or any other acres." Under the amendment, the Secretary of Agriculture would have that power, if he wished to use it.

Mr. DONNELL. And he would have that power, even though in each case the person applying to him might be a homesteader. Is not that correct?

Mr. CAPEHART. Yes, even though both persons might be homesteaders, and might be living on adjoining farms.

Mr. DONNELL. Of course, in the illustration I just gave, I was simply referring to a theoretical homesteader; I was not claiming that I myself am a homesteader.

Mr. CAPEHART. I understand.

Mr. DONNELL. I was simply using that as an example.

Mr. CAPEHART. Of course, Mr. President, I am a veteran. I do not know whether I am a homesteader. I have done a good deal of work on the farm.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HUNT. Under the amendment the Secretary of Agriculture will have authority to say to one person, "You can plant 20 acres in wheat," and to say to another person, "You cannot plant 20 acres in wheat." Of course, that is exactly the authority we wish to provide in this case. Naturally, the Secretary of Agriculture will consider the merits of each application. If an application came within the intent of the act, certainly the Secretary of Agriculture would have that authority. He has it now.

Mr. CAPEHART. I should like to ask the able Senator from Wyoming this question: Does he think there is possibly

one American today who realizes that such an amendment as this is necessary in order to permit him to put into cultivation acreage which now is not in cultivation?

Mr. HUNT. In reply, let me say that for 2½ months, now, I have been attempting to get the Secretary of Agriculture to say to me that these new settlers can plant so many acres of wheat. He has told me time and time again, "I do not have that authority."

Before the Senator entered the Chamber I had incorporated in the RECORD, as a part of my remarks, a letter to a Senator, in which the question was asked, "Have you been able to do anything for us yet, so we can plant some wheat?"

Under the present allotment such a person can plant 1½ acres.

Mr. CAPEHART. Mr. President, I do not know how I am going to vote on the amendment. I do not like the amendment or the necessity for it. I do not like the amendment because I think it would break down the existing system.

So I can only throw up my hands, shake my head, and say, "God help America, when, as a result of the existing legislation and of the legislation we are enacting, we work ourselves into the situation in which we find ourselves today."

Mr. HOLLAND. Mr. President, I agree entirely that what the distinguished Senator from Wyoming [Mr. HUNT] has in mind is a worthy objective, and that he is trying to do something he thinks is fair for America and for the citizens whom he is trying to serve in connection with certain new reclamation areas in his own State. I wish it were possible for me to view his proposed amendment as an amendment which would apply only to a limited section of the country and to a very greatly localized group of people, and in a way which would not be disturbing elsewhere in the Nation.

It seems to me that the amendment very clearly is a mischievous one, that it leads to very great possibilities of discrimination, that it involves almost impossible, intolerable problems of administration on the part of the Secretary of Agriculture, and opens the door wide to decisions which may conceivably upset the whole agricultural program and the whole structure of our program for price supports in America.

In my own State there is in one area, the Lake Okeechobee area, a total of thousands of acres of land which has now been reclaimed, which has never been planted, which is now available for the planting of sugarcane, and which could be planted in such way as completely to upset the on-shore cane-sugar quota, at least I think its production could be of such volume as to be most disturbing to the whole sugar picture.

Much of the land is available likewise for the growing of various vegetables. I am thinking now particularly of Irish potatoes. As I told Senators in the committee meeting when this amendment, or one similar to it, was heard and rejected, I had just been waited upon by a committee of Irish-potato growers from

southern Florida who had this precise problem with reference to drained lands which had just been reclaimed so that they could be made productive, on which about 600 acres of new production of Irish potatoes was being planted for this year, much of it by the veteran group to which the distinguished Senator has alluded. That planting in Florida would seriously upset the situation in that State, and the problem might become vastly larger if, in addition to the 600 acres to which I have referred, further acres were so utilized.

Mr. President, it seems to me the amendment flies directly in the face of the knowledge we have obtained on the floor during the last few days that in some of the system of distribution and allocation of benefits, and acreage allotments, the acreage which goes to the various growers is small indeed. I remember that the distinguished Senator from Tennessee [Mr. McKellar] in his argument on the floor recently remarked that the average acreage in the production of burley tobacco in the State of Tennessee was less than 1 acre per grower. I do not recall the exact acreage, but that was his statement. My recollection is he said that more than 60,000 growers in that one State were engaged in the production of the one crop, burley tobacco.

The PRESIDING OFFICER (Mr. McKellar in the chair). Nine-tenths of an acre.

Mr. HOLLAND. I thank the distinguished Presiding Officer. My recollection is correct. Nine-tenths of an acre was the amount he stated as having been the average produced by each grower in that great State. My recollection is there were some 56,000 who are producing burley tobacco.

The PRESIDING OFFICER. Fifty-six thousand.

Mr. HOLLAND. Fifty-six thousand farmers are producing burley tobacco in that one State.

Of course, there are many acres of uncleared land within that State, which are available to be cleared and to be planted. There are in the State of Florida tens of thousands of acres of virgin land which has never been cleared or cultivated, which would be made available for the production of various crops upon which acreage allocations or quotas prevail.

Furthermore, Mr. President, there is hardly a piece of land in the Nation which, if it is taken up either by a veteran or by any other new producer, cannot be used for many, many crops which are not brought under the quota system, and therefore he would not be prevented from utilizing his acreage in an advantageous way. I think of hay and grass crops; of alfalfa; of dairy farming; I think of livestock production; I think of many types of vegetable production which have never been brought under any kind of support program involving either limitation of acreage or marketing quota, and which can be freely offered on the markets.

So, Mr. President, it seems to me the amendment would be mischievous in the extreme and might be destructive of

many of the fine programs which are now under way, and that above all things, it would open the door to charges of discrimination which would be rife and which would be difficult to avoid on the part of the Secretary of Agriculture as he attempted to enforce and carry out this particular amendment. For example, suppose that, in his judgment, he should feel that in new acreage for the production of one crop he would be justified in allowing exemptions, but in new acreage suitable for the production of another crop he would not be justified in allowing exemptions. It goes without saying that the individuals who were interested in becoming producers of the crop for which no leeway was given for new production would feel that they had been discriminated against.

Mr. President, suppose that, in his judgment, the Secretary of Agriculture should think that in one State there was justification for using the amendment, and in another State there was no such justification; and suppose one of those States was very close politically, and the other happened to be in an area where there had never been any question of what its political conviction was. It seems to me the opportunities for charges of discrimination and unfairness as between individuals and as between commodities and as between States and areas would be almost unlimited under the amendment, and that from the very beginning it would present to the Secretary of Agriculture an intolerable problem of administration.

With all due regard to my friend, the Senator from Wyoming, it seems to me he is asking the Senate to adopt an amendment which would be highly destructive of a program which in so many of its aspects has already shown itself to be workable and which is working well. So in my opinion, by no manner of means should the Senate consider seriously the adoption of the amendment as proposed.

Mr. HUNT. Mr. President, I wish to offer a further modifying amendment. I wish to modify the amendment by deleting the figure "80" and inserting the figure "40", and, in line 4 of the amendment, following the word "production" by inserting "on Federal reclamation projects."

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The LEGISLATIVE CLERK. On page 7, line 23, it is proposed to strike out the period and insert a colon and the following proviso: "Provided, however, That in the case of new lands brought into production on Federal reclamation projects for the first time since the passage of the Agricultural Act of 1938 and which have no production history, the Secretary of Agriculture is hereby authorized to waive acreage allotments or marketing quotas in the year 1950 and for a period of time not to exceed 2 years, to the extent of 40 acres by any one operator."

Mr. HUNT. Mr. President, having offered the further modification, I hope the Senate will adopt the amendment, and, of course, I also hope it will prove of benefit to the settlers on these projects. Let me assure Senators the

amendment means the economic life or death of settlers who have just moved onto the projects. I hope the amendment, as modified, will be adopted.

Mr. WHERRY. Mr. President, as one who is interested in this amendment, now that it has been modified, I hope the distinguished Senator from New Mexico will accept it. There are many Federal reclamation projects in the Missouri River Basin which would be helped if this amendment should be adopted. It seems to me it is taken out of the category of the argument which has been made by the distinguished Senator from Indiana [Mr. CAPEHART]. It was never my intention to open it up to change the historic basis of land which has already been under cultivation, turned back, and then brought under cultivation again. I did not intend that when I said I would support the amendment. What I had in mind was the very objective which the distinguished Senator from Wyoming is intending to subserve. I hope the distinguished Senator from New Mexico, inasmuch as a concession has been made, limiting it only to Federal reclamation land brought in new and which has no historic basis, will at least take it to conference and see if something cannot be worked out which will be satisfactory.

Mr. AIKEN. Mr. President, I might add that the proposed modification of the amendment certainly makes it worse, because it confines the provisions to a very few States. The reclamation projects are west of the One Hundredth Meridian, as I understand. Furthermore, I should like to point out that the State committee in each State has an allowance in acreage to allot to new homesteaders each year and can take care of them in that way. Each State committee can assign the right to produce, if it happens to be a controlled crop. As I understand, the crops which concern the Senator from Wyoming are not at present controlled. I suppose he fears they may be controlled in the future. But I would not restrict it to new lands on reclamation projects, by any means.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming, as modified.

Mr. ANDERSON. Mr. President, I withdraw my request for the yeas and nays.

Mr. HOLLAND. Mr. President, I should like to address a question to the distinguished Senator from Vermont. A few moments ago I stated that I thought the amendment in its original form was highly discriminatory. Is it not the opinion of the Senator from Vermont that in its amended form, the amendment would become much more discriminatory, in that, first, it would apply only to a very small number of States, and, second, it would differentiate between the Federal reclamation projects and the State and district drainage projects which are found in so many States of the Union, in which, through the use of public capital and initiative, new lands are made ready for agricultural production.

Mr. AIKEN. The Senator from Florida is entirely correct in his statement. The modification of the amendment, in my opinion, does make it more discriminatory than it was in the first place. I believe the State committees can take care of a reasonable number of persons each year and make allowance for new settlers.

Mr. HUNT. Mr. President, I am very anxious to close this debate, because we have taken perhaps too long already. I want to say to the distinguished Senator from Vermont that I have limited this amendment for the sole reason that no one seems to object to the amendment so far as it applies to veterans on reclamation projects. They object with reference to the cut-over lands in Minnesota, the brush lands in Montana, and the delta lands in Florida. No one seems to have any objection to the particular settlers whom I am trying to protect.

I should like to say, further, to the distinguished Senator from Vermont that, under the pending bill, the local committee does have some latitude, so much so, in fact, that settlers can actually plant one and a half acres of wheat. The Senator will agree with me that that is ridiculous.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. THYE. I want to ask the distinguished Senator how large an acreage to one individual will be permitted on these reclamation projects. Is it 80 or 160 acres?

Mr. HUNT. One hundred and sixty acres is the amount a settler can take up.

Mr. THYE. The Senator would give a homesteader 40 acres. If he has 160 acres the Senator would give him that additional land. If he has 40 acres he can put it all into wheat.

Mr. HUNT. Physically he cannot, because he does not have the necessary equipment and the resources. If he puts in from 10 to 20 acres of wheat, he will be doing well.

Mr. THYE. Nothing in the world would prevent him from share cropping it and saying, "I will give you 50 percent if you will break the land up, because I want to get the acreage allotment." Equipment is available all through that area to break it up and plant it. I see a great deal of danger in the amendment.

Mr. HUNT. The Senator overlooks the fact that it is limited to a 2-year period.

Mr. THYE. But it establishes a base in that 2-year period with which we shall have to cope.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming, as modified. [Putting the question.] The amendment is apparently rejected.

Mr. WHERRY. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. YOUNG. Mr. President, I ask for the yeas and nays.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. After the result has been announced, is it not too late to ask for the yeas and nays?

The PRESIDENT pro tempore. After the result is announced the yeas and nays are not in order.

Mr. ANDERSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to. I ask for the yeas and nays.

Mr. MUNDT. Mr. President, I do not think the Senator is entitled to make that request.

The PRESIDENT pro tempore. Any Senator can make such a motion.

Mr. ANDERSON. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the motion to reconsider the vote by which the amendment of the Senator from Wyoming, as modified, was agreed to.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hunt	Millikin
Anderson	Ives	Morse
Baldwin	Jenner	Mundt
Brewster	Johnson, Colo.	Murray
Capehart	Johnson, Tex.	Myers
Cordon	Johnston, S. C.	Neely
Donnell	Kefauver	O'Connor
Douglas	Kem	O'Mahoney
Downey	Kerr	Pepper
Eaton	Knowland	Robertson
Ellender	Langer	Russell
Ferguson	Leahy	Saltonstall
Fulbright	Lodge	Schoeppel
George	Long	Taft
Gillette	Lucas	Taylor
Graham	McCarthy	Thomas, Okla.
Gurney	McClellan	Thomas, Utah
Hayden	McFarland	Thye
Hendrickson	McKellar	Watkins
Hickenlooper	McMahon	Wherry
Hill	Magnuson	Wiley
Holland	Malone	Williams
Humphrey	Martin	Young

The PRESIDENT pro tempore. A quorum is present. The question is on agreeing to the motion of the Senator from New Mexico to reconsider the vote by which the amendment of the Senator from Wyoming was agreed to.

Mr. HUNT. Mr. President, I am at a loss to understand why the distinguished Senator from New Mexico has asked for a reconsideration of the vote. The vote was taken, it was taken fairly, the vote was counted, the count showed that the amendment was agreed to, and in all good faith I see no reason why we should reconsider the vote.

The PRESIDENT pro tempore. The question is on agreeing to the motion to reconsider the vote by which the amendment was agreed to. The yeas and nays have been ordered, and those in favor will vote "yea" when their names are called, and those opposed will vote "nay." The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ],

the Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], and the Senator from South Carolina [Mr. MAYBANK] are detained on official business.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. HOEY], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Nevada [Mr. McCARRAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate. If present and voting, the Senator from Vermont and the Senator from New Jersey would each vote "yea."

The Senator from Nebraska [Mr. BUTLER] is absent on official business.

The Senator from New York [Mr. DULLES], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present and voting, the Senator from New Hampshire would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], and the Senator from Maine [Mrs. SMITH] are detained on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "yea."

The Senator from Washington [Mr. CAIN] is necessarily absent. If present and voting, the Senator from Washington would vote "yea."

The result was announced—yeas 42, nays 27, as follows:

YEAS—42

Aiken	Holland	McMahon
Anderson	Ives	Martin
Brewster	Jenner	Myers
Donnell	Johnston, S. C.	Neely
Downey	Kefauver	O'Connor
Ellender	Kem	Robertson
Ferguson	Knowland	Russell
Fulbright	Leahy	Saltonstall
George	Lodge	Schoeppel
Gillette	Long	Taft
Graham	Lucas	Thye
Hendrickson	McCarthy	Wiley
Hickenlooper	McClellan	Williams
Hill	McKellar	Young

NAYS—27

Baldwin	Johnson, Colo.	Mundt
Capehart	Johnson, Tex.	Murray
Cordon	Kerr	O'Mahoney
Douglas	Langer	Pepper
Eaton	McFarland	Taylor
Gurney	Magnuson	Thomas, Okla.
Hayden	Malone	Thomas, Utah
Humphrey	Millikin	Watkins
Hunt	Morse	Wherry

NOT VOTING—26

Bricker	Chapman	Flanders
Bridges	Chavez	Frear
Butler	Connally	Green
Byrd	Dulles	Hoey
Cain	Eastland	Kilgore

McCarran	Smith, N. J.	Tydings
Maybank	Sparkman	Vandenberg
Reed	Stennis	Withers
Smith, Maine	Tobey	

So the vote by which Mr. HUNT's amendment, as modified, was agreed to was reconsidered.

The PRESIDENT pro tempore. The question is on the amendment, as modified, of the Senator from Wyoming [Mr. HUNT], to the committee amendment.

The amendment, as modified, to the committee amendment was rejected.

Mr. JOHNSON of Colorado. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. On page 11, line 17, after "wool", it is proposed to insert a comma and the following: "Angora rabbit wool."

On page 11, line 25, after "honey", it is proposed to insert a comma and the following: "Angora rabbit wool."

Mr. JOHNSON of Colorado. Mr. President, this amendment provides for some assistance to perhaps the smallest agricultural industry in the United States. As a matter of fact, the breeding of Angora rabbits and the production of Angora wool is handled mostly by veterans, disabled veterans, widows of veterans, and small operators generally, who do it more or less as a side line. It is possible with a thousand rabbits to have a gross income of three or four thousand dollars a year.

I shall not take much of the time of the Senate at this very late hour on this amendment. I hope the Senator in charge of the bill [Mr. ANDERSON] will take my amendment to conference and see if the small amount of assistance which this amendment provides may not receive favorable consideration in the conference. I assure the Senate that the need is desperate.

Mr. ANDERSON. Mr. President, there is no question that the industry for which the distinguished senior Senator from Colorado has just spoken is entitled to some help. The difficulty is that this is not the way, in my opinion, to give it to them. The Angora rabbit industry does need some protection, but it needs far more a proper classification of the product.

It so happens that the January-February 1949 issue of the Angoran News, which is the official organ of this industry, contains the following statement:

We do not want or need a support price. Without an import tax, a support price would only bring in more imports. The wool can be produced in low-labor-cost countries at a price far below our cost of production, and to give a support price would only cause exporters in those countries to give rebates to the mills in this country who are importing from them. It would enable them to get more money for their wool, and since they can make a handsome profit at the present price due to their low labor, they could give some of it back to the mills and still be getting all they are getting now.

What we need is proper classification of Angora wool under the Department of Agriculture so we can get protection on Angora rabbit wool on a basis of Angora rabbit wool,

and not on the basis of sheep's wool as the value is now figured.

I think that is a correct statement of the situation.

The Senator from Colorado is completely right in saying that the industry needs assistance, but a support price will not give it to them. During the past 6 months we received a tremendous quantity of this wool from Spain, Italy, and other countries. We cannot protect this industry in this country by raising the support price, because importers can pay the duty and still ship the wool in. I want the Senator to feel that we are all deeply sympathetic with the problem, and regret that apparently it cannot be cured by a support price.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MILLIKIN. Would the President have the power under existing law, or under the amendment which was voted for here today, to exclude such imports if the Angora rabbit wool were under the operation of support prices?

Mr. ANDERSON. The Senator has asked a question which I cannot answer, but I think in fairness to him, and in honesty, I should say that I believe that if we had a support price the President would be in a position, under section 22 of the Agricultural Act, to bar imports which are causing trouble.

Mr. MILLIKIN. I suggest to the distinguished Senator that in view of the fact that a remedy is available, the measure proposed by my distinguished colleague together with the relief which the President has it in his hands to give, the two measures taken together would solve the problems of those producers.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. McCARTHY. The President will have such power if the fur amendment, which is now deadlocked in conference, and which the State Department is going all out to oppose, is adopted by the conferees. The President will then have the power to rectify the situation. Nevertheless, I am in favor of the amendment offered by the Senator from Colorado.

Mr. ANDERSON. Mr. President, I wish to say to both Senators from Colorado that I certainly do not like this amendment, but I must admit that there is some justice in the suggestion so far as a fair price for Angora rabbit wool is concerned.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON]. [Putting the question.] The Chair is in doubt.

Mr. JOHNSON of Colorado. I ask for a division.

On a division, the amendment was rejected.

Mr. McCARTHY. Mr. President, on behalf of my colleague [Mr. WILEY] and myself, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 11, after line 18, after "potatoes", it is proposed to insert a comma and the following: "hemp."

On page 12, between lines 4 and 5, it is proposed to insert the following:

(3) The price of hemp of the 1948 and subsequent crops of the following grades shall be supported at the following prices:

Crop:	Price cents per pound
No. 2 line	20
No. 3 line	16
No. 1 tow	15
No. 2 tow	12
No. 3 tow	10

On page 12, line 5, it is proposed to strike out "(c)" and insert "(d)".

Mr. McCARTHY. Mr. President, I should like to take this opportunity to tell the Senate, very briefly, a story which I believe concerns the welfare of the Nation. The story begins with World War I, and it is the story of a vital material, hemp. Before World War I this Nation had never produced more than 9,000,000 pounds of hemp. We depended on importing almost all the fibers we needed. But, of course, when the war began, the German raiders immediately set out to cut off our supply of hemp as well as other materials. We found that if we were to prosecute a war, hemp was one of those unromantic and unpublicized materials without which it was impossible to do so. It was found necessary to quadruple our domestic production—and it was still necessary to risk and lose the lives of Americans to bring in foreign fibers.

The war came to an end and we promptly forgot about the unromantic item of hemp. Time passed—and nations quarreled—and in 1941 we found ourselves again engulfed in a world-wide struggle. Of course, the first thing the enemy tried to do was to cut off our supply of essential materials, among which were fibers. It again became necessary to supply our needs from domestic production. The Government found that a small group of patriotic and far-sighted men in Wisconsin had kept the hemp industry alive—weak to be sure, but alive. In this entire country, there were only five mills for processing hemp. They had been kept open, between the two wars, at practically no profit to the operators. But they had been kept alive, and the skills and knowledge necessary for producing and processing hemp were kept alive with them. In its hour of critical need, the Government turned gratefully to that small group of men. Government engineers rushed to Wisconsin to learn the techniques and equipment needed for hemp processing. Agriculture experts were rushed to Wisconsin to learn the necessary facts about the growth of hemp. The great hemp program was launched by the Government.

Forty-two additional hemp-processing plants went into immediate construction. Crops were grown in Illinois, Indiana, Iowa, Kentucky, Minnesota, and Wisconsin. The planted acreage of hemp was increased 62 times. It took two full years to get the industry on a sizable scale. Had it not been for the tiny industry still operating in Wisconsin,

the situation would have been impossible to meet.

Mr. President, our Nation narrowly escaped what might have been an extremely tragic shortage. I am sure other Senators will agree with me that two close shaves are enough. War has sped up too much for us to depend on having such good fortune again. That is why I bring to the Senate the news that we have again lapsed into a complete disregard of hemp. After the war, the Government declared the 42 plants to be surplus, and sold them. Only one is still used for hemp processing.

The huge surplus of fiber built up in accordance with War Production Board directives was dumped into commercial channels, and the spinners who formerly used the hemp-mill production, actually bought such vast quantities at such low prices that they are now sellers, instead of buyers.

The market for fiber grown by the five original companies in Wisconsin has virtually disappeared. The industry has almost been wiped out. No one can deny that today the Nation is faced with at least the possibility of war; and unless something is done, it will face that possibility with no hemp, and even without the few faithful mills that kept the industry alive in the prewar period, and furnished the core of the wartime expansion. Mr. President, this is obviously the path of ruin and the course of madness.

The hemp-mill operators, now staring bankruptcy in the face, are asking that their product be given support prices. They feel, and I feel, that since other products are receiving support, this crop, because of its previous importance in times of emergency, deserves equal treatment.

I hope the Congress will see fit to grant this relief to the hemp-growing industry and to provide this security for the Nation. For that purpose, I am submitting the amendment to provide that the Nation stock pile a sufficient quantity of hemp to guarantee a supply in case of emergency, and a support price that very closely parallels that which was established in 1946.

I wish to call attention to the fact that in 1946 there was a support price for hemp.

I sincerely hope the junior Senator from New Mexico will at least take the amendment to conference, and in the meantime will contact the officials in the Defense Establishment and will obtain their reaction as to whether it is necessary to keep this industry alive.

Mr. ANDERSON. Mr. President, I assure the Senate that it is no pleasure for me to come before the Senate, round after round, and oppose amendments offered by Senators whom I should be glad to support if I could.

It so happens that the Munitions Board has not placed hemp on its No. 1 critical list. Furthermore, I think it should be remembered that we have demonstrated once, during the war, the ability of the American farmer to grow the necessary amount of hemp when a situation demanding increased production of hemp arises. The 1949 production of hemp is

only about 5,500,000 pounds from, I am told, approximately 4,450 acres. That is not enough in time of war, and all of us recognize that fact. I merely point out that the American farmers have in the past shown what they could do, for although in 1942, they produced 13,922,000 pounds of hemp from 14,500 acres, the very next year, 1943, they produced more than 140,000,000 pounds of hemp from 146,000 acres.

The farmers the distinguished Senator from Wisconsin represents were a great part of that effort, and they are entitled to an "E" award for it; they are entitled to an E award for it; they are did. But the best way to proceed in the future, in my opinion and in the opinion of those who were very closely connected with hemp production during the recent war, is the way by which we proceeded the last time, namely, by incentives in wartime not by a very small support price in time of peace.

So I ask that the amendment be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin. [Putting the question.]

The amendment was rejected.

Mr. HUMPHREY. Mr. President, the debate during the past week has indicated that there exists some confusion in the minds of Senators as to the position taken in the past by one of our great farm organizations, the National Farmers Union, with respect to flexible price supports. There would seem to be no good reason for such misconceptions, since representatives of that organization have testified repeatedly before our committees; and the attitude of the organization has been made public frequently through statements of its president, Mr. James G. Patton, and of its board of directors.

In order to clarify this matter, I should like briefly to indicate for the RECORD exactly what the National Farmers Union sought of Congress during 1948, the period when the Agricultural Act of 1948 was being discussed.

On April 15, 1948, Mr. Patton appeared before the Committee on Agriculture and Forestry to testify on Senate bill 2318, the Aiken bill. Concerning the price support sections of S. 2318, Mr. Patton praised the work of the committee but added that "it should be possible to be both more creative and more realistic"—page 113 of the hearings. He then criticized the bill's support provisions on two principal scores, and suggested two major changes in them.

First, Mr. Patton said the level of support to be given a commodity should be related "to the production goals hammered out by the Department and the farmers."

Then—

He went on—

Instead of seeking to encourage or discourage production by reference retroactively to the production of previous years, we should be tackling boldly and with vision, the real problem, which is . . . to encourage or discourage production in the forthcoming year.

Next, Mr. Patton said:

Forward pricing should be given more emphasis in relation to next year's production goals so that get shifts within the total structure.

This, of course, is very far from a blanket endorsement of any kind of sliding scale. It should be notice, too, that failure of the Eightieth Congress to enact any agricultural law would have resulted in a reversion to the old Triple-A support levels, far under now proposed of then proposed. Moreover, in concluding his testimony, Mr. Patton had this to say—page 131 of the hearings:

Agriculture as usual finds itself in an extremely vulnerable position in the aftermath of war. Farmers for several years to come face a condition where failure to continue exports of farm products at very high levels would almost certainly bring about another and worse decline in prices of the things farmers sell. At the same time this could well be accompanied by continuing and even increasing inflation of the prices of things farmers buy.

Therefore, the National Farmers Union alone, I believe, among the major farm organizations, has taken the position that the support levels guaranteed in the so-called Steagall amendment to the Price Control Act of 1942 must be continued unless something were done to control the rest of the economy. In fact, we have advocated price control right across the board, backed by adequate credit control, for agriculture as well as for everybody else.

The enactment of S. 2318 or similar legislation would assist materially in quieting our fears. It would not, however, in my judgment, remove the necessity for strong action to curb inflation. We think both things ought to be done.

If, however, it appears later that it will not be possible for the committee to obtain favorable action on a satisfactory long-range bill, I appeal to it today to do all it can to obtain the extension for at least another year of the Steagall amendment levels of price support. In an uncertain world, there appears to be no other way available immediately to assure farmers against at least some of the worst effects of inflation.

In conclusion, I should like to insert in the *RECORD* at this point, three documents which show conclusively the position in 1948 of the National Farmers Union. One of these is a statement of the board of directors of the farmers, adopted in Denver, Colo., on September 15, 1948. Another is a press statement by Mr. Patton, dated September 3, 1948. Both defend title I of the Agricultural Act of 1948, which extended the general 90 percent of parity support level through 1949.

There being no objection, the statements were ordered to be printed in the *RECORD*, as follows:

SPECIAL SESSION AGENDA

WASHINGTON.—National Farmers Union President James G. Patton today proposed a six-point agenda for the special session of Congress upon which he urged President Truman and Governor Dewey to unite. Patton's statement putting forward the Farmers Union agenda for Congress was as follows:

"The National Farmers Union urges President Truman, as the leader of the Democratic Party, and Governor Dewey, as the leader of the Republican Party, to unite in pressing for action by the special session of Congress

meeting Monday on the enactment of the following six-point program:

"1. An omnibus civil rights bill, with cloture invoked in the Senate immediately upon the opening of the session to insure against a filibuster that will delay the remainder of the program.

"2. The remainder of a long-range agricultural program supplementing the long-range price supports adopted by the last session. This legislation should include a permanent land-use and conservation program, a strengthened and better integrated farmer committee system, and a nutrition program for low-income groups.

"3. Ratification of the International Wheat Agreement by the Senate.

"4. Adoption by the House of the original Taft-Ellender-Wagner bill as passed by the Senate, including the first comprehensive farm housing program ever seriously considered by Congress.

"5. Adoption by the House of the Federal-aid-to-education bill as passed by the Senate, another major piece of agricultural legislation, since rural areas would be prime beneficiaries of such aid and stand most in need of it.

"6. Adoption by both Houses of genuine inflation control legislation that not only will stop the present upward spiral of prices but will give a base for real full employment legislation in the new Congress aimed at preventing a major economic collapse."

FARM PRICE SUPPORTS

WASHINGTON.—In identical letters to Chairmen GEORGE AIKEN and Representative CLIFFORD HOPE, of the Senate and House Agriculture Committees, respectively, President James G. Patton of the National Farmers Union today said the Farmers Union is solidly behind the present program of farm price supports and asked the cooperation of the two chairmen in getting the true facts of present conditions to the American people.

Patton transmitted with the letter a copy of a resolution to this effect adopted by the Farmers Union's board of directors. A copy of the resolution is attached to this press release. Text of the letter was as follows:

"In view of the continued distortions and misrepresentations of the farm price-support program and of farm income, I am sending to you with this a copy of a resolution which has been unanimously adopted by the board of directors of the National Farmers Union, composed of all of the presidents of State farmers unions.

"I hope that you may find some use for it in combatting, as I am sure you will wish to do, the misinformation being so widely spread among the American people. As a true friend of farmers, you have always stood steadfastly for legislation that will benefit them, and I felt sure that you would like to know that the Farmers Union is solidly united behind the position stated in the resolution as follows:

"So long as the prices of all other commodities continue to spiral, and farm costs continue to mount, we believe that the 90 percent of parity support levels should remain. If this terrible spiral of inflation can be halted, then we feel that the long-range, flexible program provided in the present law, to become effective in 1950, can safely be put into effect."

"The fact of the matter is that agriculture still lags far behind other segments of the economy in income and that its real income is declining more rapidly than that of any other group. At the same time, consumers are receiving no benefits from lower farm prices and within agriculture itself depressed groups are suffering severely.

"For these reasons, I am making public this letter, in the earnest hope that it may

help in some measure to bring to the American people the true facts of the present situation."

STATEMENT OF THE NATIONAL BOARD OF DIRECTORS OF THE NATIONAL FARMERS UNION ADOPTED IN DENVER, COLO., SEPTEMBER 15, 1948

Farmers face the prospect of being put through the 1932 wringer again. We do not propose to sit idly by and watch this happen, and we denounce the campaign now being waged to undermine farmers' support prices.

To that end, we here and now declare our firm support of the present bipartisan agricultural policy and program, including the 90 percent of parity supports, and reiterate our purpose to fight to the limit during this Congress to retain it intact.

Most farmers are having very great difficulty making both ends meet. Prices received by farmers have been dropping steadily since January. Their costs have been rising sharply during the same time. Farm costs now stand at the highest level in history. With every month of 1948, the share of the consumer's dollar received by farmers has declined.

The facts should be made crystal clear to that great majority of the American people who are fair and open-minded citizens. They should also know that exorbitant profits are still being made by the great corporations and that processors and middlemen are refusing to pass on lower costs of farm products in the form of lower prices to consumers.

We deplore the apologies of other farm organizations for present prices of farm products, and the present price-support legislation.

We resent the effort of former Gov. Harold E. Stassen and others to attack by implication, the farm price-support system, and to make a political football of it.

Those who are waging this campaign of misinformation against the farm price-support program should remember that the great depression of 1929-32 had its roots in the previous collapse of farm prices.

The Farmers Union, in waging its struggle for continuation of the present support price levels, is fighting for the best interests of the Nation as well as of farmers alone.

Farm price supports are not responsible for present prices of food to consumers. It is not farmers but some segments of business that are pushing consumer prices ever upward. We call upon consumers everywhere to join us in demanding that the Agricultural Marketing and Research Act be applied effectively to reduce the widening gap between prices on farms and food costs in cities.

American farmers have produced in the last 6 years staggeringly large crops, crops that helped to win the war and save the world from chaos and starvation. American farmers have made us the best-fed Nation in history. Without price supports this record of production would have been impossible.

If it should become necessary to spend considerable sums to support the prices of farm products, the Nation should do so. So long as the prices of all other commodities continue to spiral, and farm costs continue to mount, we believe that the 90 percent of parity support levels now in effect for most farm products should remain. If this terrible spiral of inflation can be halted, then we feel that the long-range, flexible program provided in the present law, to become effective in 1950, can safely be put into effect.

While standing firmly behind present price supports, we shall continue to work for governmental aid to improve the diets of low-income consumers and for a more comprehensive national land policy.

We, the board of directors of the National Farmers Union, have approved this statement of policy in session at Denver, Colo., September 15, 1948.

FLEXIBLE IMPORT FEE AND PARITY PRICES
AMENDMENT TO H. R. 5345

Mr. MALONE. Mr. President, I offer the amendment which has been printed and lies on the desk. I ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following new section:

SEC. . Section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935 (49 Stat. 773), and reenacted by section 3 of the Agricultural Act of 1948 (Public Law 879, 80th Cong.), is hereby amended to read as follows:

"Sec. 22. Whenever the average wholesale price of any farm commodity or product thereof is less than the parity price of such commodity or product, there shall be levied, assessed, collected, and paid, on such commodity or product when imported from any foreign country into the United States or into any of its Territories or possessions, an import tax or fee equal to the difference between the landed cost of such imported commodity or product and the parity price thereof.

"The term 'average wholesale price' for the purpose of this section shall, as of any date, mean the average wholesale price used by the Bureau of Labor in computing the wholesale price commodity index (1926=100) current on such date.

"The term 'parity price', in the case of a farm commodity, shall mean the parity price as determined under the Agricultural Adjustment Act of 1938, as amended, and in the case of a product of such a commodity, a price which reflects the parity price of the commodity."

Mr. MALONE. Mr. President, without an import fee to make up the differential of cost, we are placed in a position of having to support the price structure of the entire world at a level required to maintain our national income on a prosperous basis. The question before us is, At what level is it feasible to support such prices, and how can that be accomplished in a practicable manner?

COTTON, WHEAT, OTHER COMMODITIES

In my opinion, Mr. President, we cannot support farm prices successfully at parity without having some protection against imports from the low-wage-standard countries of the world.

We shall be forced into a position of buying up the products of the world, even though other nations starve. At the same time wheat, cotton, and other farm commodities will be stored up in the United States.

BUY CHINA EGGS—STORE OUR OWN

For example, in the debate on this bill, the distinguished Senator from New Mexico [Mr. ANDERSON] pointed out that dried eggs acquired by the Government under the price-support program were unsalable at \$1.26 a pound. He gave as a reason the fact that American industries using the dried-egg product could buy Chinese dried eggs at \$1.10 a pound. Thus, we find ourselves buying eggs from China, while the people in China are starving.

Another example is the demoralized situation in our fats and oils market. Net imports of fats and oils during 1947 and 1948 forced the price of fats and oils to drop an average of 15 cents a pound.

This drop in the price of fats and oils has affected every section of the United States, and directly affected the income to our American producer.

FATS AND OILS

Our annual production of fats and oils totals approximately 10,000,000,000 pounds. The drop in price of 15 cents a pound represents a loss of income of approximately \$1,500,000,000. This drop in price took place even though the European countries were desperately in need of fats and oils and were on a rationed level of consumption.

The effect of this drop in price of fats and oils, instead of promoting foreign trade, has destroyed it.

For example, we have a special agreement with the Philippines to bring in approximately 400,000,000 pounds of coconut oil duty-free. On a comparative basis with our parity price level, coconut oil should be worth about 30 cents per pound. At 30 cents per pound 400,000,000 pounds of coconut oil provided an income for the Philippines of \$120,000,000.

This income, in turn, represented dollar exchange and trade. The drop of 15 cents a pound reduced this income \$60,000,000 and, in turn, reduced the dollar exchange in that amount and made it impossible for the Philippines to pay for goods imported from the United States or other nations.

In fact, the so-called crisis in Great Britain which led to the devaluation of the pound was a direct result of a drop in commodity prices which shut off both income and markets for Great Britain. Loans will not correct this situation.

If we really intend to help the world we must reverse our direction.

FOREIGN EXCHANGE AND PRICE LEVELS

Instead of permitting indiscriminate tariff reductions to reduce our price and income level to that of the rest of the world, we should maintain our price level and assist the rest of the world in reorganizing their exchange and price levels at a par with the United States.

NATIONAL INCOME

In 1948 we had a national income of \$226,000,000,000. If we permit our price level to drop back to 1941 levels our national income will drop back to \$103,000,000,000.

Such a drop in national income would force the United States into a depression and precipitate financial chaos throughout the world.

By using a flexible import fee as an indirect support for farm commodities, our entire support-price program would be greatly simplified. A flexible import fee at the parity level would automatically protect over 85 percent of our farm-price structure without any further legislation.

FARM INCOME

In 1948 our cash receipts in the sale of all farm products totaled over \$31,000,000,000. Of this total, 50 percent is represented by livestock dairy products, poultry, and eggs. An import fee at the parity level would indirectly support the price of these products.

Our principal exports of crops are wheat and cotton. The exportable surplus of the two items represent a total of approximately \$1,500,000,000 at gold

parity values. This represents approximately 5 percent of our total cash receipts for agricultural products.

WORLD UNDERFERD

The world for years has been underfed and underclothed and a truly reciprocal trade program should make it possible to exchange these products so badly needed throughout the world for things that we may need to supplement our own economy.

In my opinion, a principal reason for poverty is lack of production, and low food standards in the rest of the world can be directly traced to the low level of farm prices produced by peon labor.

The real solution, in my opinion, for economic problems in the United States and the world is a level of prices for farm commodities and other raw materials at the American parity level.

Mr. President, the amendment does not cost anything. It may save the United States tremendous sums of money because, if we are to hold the parity level at any fixed price or at any flexible price, then the only way it can be so held is some kind of flexible import fee to make up the deficiency between the landed cost in this country and the cost of the parity level.

MAY SAVE THE FARM PROGRAM

Mr. President, I hope the Senate will see fit to adopt the amendment because I believe it may be instrumental in saving the entire program. If we start buying the products of the world to stabilize our own economy, it will cost so much money that there will be a reaction against the entire program.

Mr. ANDERSON. Mr. President, I shall not detain the Senate more than 2 minutes to say that section 22 is one of the sections of the bill which farmers regard as being for their protection. The Senator from Washington [Mr. MAGNUSON] has been fighting hard to get an amendment through, and finally got it through today, that seeks to make section 22 operative. I only suggest to the Senate that the section should not be changed without giving the farm organizations and the farmers generally a chance to be heard. I think they like the section. I think they would like to have it in the bill. I agree with the Senator from Nevada it is not effective at the present time, and there may be cheaper and more reasonable ways of doing it, but until such an amendment can be presented at some time in a regularly scheduled agricultural hearing, and until the farmers of the country get a chance to speak on it, I do not think we ought to adopt it here on short notice.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield.

Mr. MALONE. I should like to ask the distinguished Senator from New Mexico whether there is anything in the amendment that could in any wise injure a farmer coming under the act? In other words, whether it is parity, or a flexible sliding scale, or any other basis that may be adopted, is there any way in the world he might be adversely affected?

Mr. ANDERSON. I do not know, but I think the farmer himself ought to have a chance to come into a hearing to testify

on it. I should very much regret having a serious matter of this nature—and section 22 is a very serious matter—disposed of without a word of warning to one farm organization of any kind that the matter is coming up today. I am not trying to say that by any stretch of the imagination the Senator from Nevada is seeking to take an improper or unfair advantage of the farmers; not at all. I only say it is a matter the farmer regards with some seriousness, and I think he would like to have a chance to be heard. I find myself unable adequately to answer the argument of the Senator from Nevada, because I am not familiar with the implication of his amendment, but I think the matter is of sufficient importance that it ought not to be quickly acted on without warning to the farm organizations of the country.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MALONE. I may say to the Senator I have taken it up with the officials of the Farm Bureau of my own State, and they agree it would not only affect the farmers in any wise, but probably would be a protection to them in the long run, in connection with the program, because of the fact that import fees would be charged, equaling the differential of cost; there would therefore be a minimum of imports, and therefore the United States Government would only have to purchase the surplus materials raised in the United States, not the surplus materials of the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nevada. [Putting the question.] The Chair is in doubt.

Mr. WHERRY. Mr. President, I ask for a division.

Mr. ANDERSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Humphrey	Millikin
Anderson	Hunt	Morse
Baldwin	Ives	Mundt
Brewster	Jenner	Murray
Bridges	Johnson, Colo.	Myers
Byrd	Johnson, Tex.	Neely
Capehart	Johnston, S. C.	O'Connor
Chavez	Kefauver	O'Mahoney
Connally	Kern	Pepper
Cordon	Kerr	Reed
Donnell	Kilgore	Robertson
Douglas	Knowland	Russell
Downey	Langer	Saltonstall
Eaton	Leahy	Schoeppel
Ellender	Lodge	Taft
Ferguson	Long	Taylor
Fulbright	Lucas	Thomas, Okla.
George	McCarthy	Thomas, Utah
Gillette	McClellan	Thye
Graham	McFarland	Watkins
Gurney	McKellar	Wherry
Hayden	McMahon	Wiley
Hendrickson	Magnuson	Williams
Hickenlooper	Malone	Young
Hill	Martin	
Holland	Maybank	

The PRESIDENT pro tempore. A quorum is present. The question is on agreeing to the amendment of the junior Senator from Nevada [Mr. MALONE].

[Putting the question.] By the sound the "noes" appear to have it.

Mr. WHERRY. I ask for a division.

On a division the amendment was rejected.

ONE HUNDRED AND SEVENTIETH ANNIVERSARY OF THE DEATH OF CASIMIR PULASKI

Mr. MCCARTHY. Mr. President, I very much dislike to take even a brief period of time on a subject other than that of the pending bill, but today is the one hundred and seventieth anniversary of the death of one of the greatest men in our history. As I say, much as I dislike to delay the business of the Senate, I should like to take about 5 minutes briefly to discuss this great man.

Mr. President, the cause of liberty is a strange and fascinating thing. Throughout history it has drawn certain men to its service and has exacted from these men such unswerving devotion that the course of history has repeatedly been changed by a few men, dedicated to the cause of freedom.

This Nation has been fortunate in having, perhaps, more than its share of such men. The cause of American liberty has time and again drawn the services of men of other nations, and for these men we of America are forever grateful. Our debt to England for the services rendered by the pen of Tom Payne, our debt to France for Lafayette's great aid, have been amply repaid both in friendship and in more concrete manifestation. But there is one nation to which this country has done a great disservice. We have violated their trust, and we have violated our promise. I refer to Poland.

One hundred and seventy years ago today Casimir Pulaski died fighting for American liberty during the Revolution. His entire life was dedicated to freedom. He gave his fortune, his family, his home, and finally his life to the cause of liberty. The pages of history can disclose no patriot who gave more, or who gave more willingly. Because of Pulaski, Kosciusko, and others, the American people have a long traditional friendship for the Polish people. Unfortunately the present administration does not seem to share in this high regard for Poland and sympathy for the cause of Polish freedom. The record of our foreign policy toward Poland is one of shameful cynicism and of complete disregard of both our promises and commitments and Poland's welfare.

The last war began because Polish soil was invaded. Through the Atlantic Charter, this Nation pledge itself to the cause of obtaining for all people everywhere four basic freedoms, freedom from want, from fear, freedom to choose one's own government, and freedom from territorial seizure. I do not think it necessary to point out in detail just how badly this promise has been kept in regard to Poland. She lives in fear, is wracked with hunger and poverty, has had a dictatorship imposed upon her, and has seen even that mockery of a government completely dominated by a foreign power.

What I wish to point out is that this supreme betrayal of Poland was not done without our knowledge or despite our

opposition. The sad and shameful truth is that this Nation, at Yalta and at Tehran, deliberately and knowingly sold this ally, and delivered Poland to the hands of her oldest and most evil enemy. Bliss Lane, the American Ambassador to Poland, resigned rather than be a party to the reprehensible policy which this country followed toward Poland.

He felt that as an American he should be free to tell the American people of the betrayal of Poland. He felt so strongly about this that he resigned his position as Ambassador rather than deal with the Communist-dominated government which we recognized in Poland and wrote a book which sets out the sins of our Polish policy in great detail. It is a good book, but one cannot read it without being deeply ashamed of the manner in which this administration betrayed Poland.

It is, perhaps, too late to undo the great wrong which has been committed. But it is not too late for us to at least acknowledge our errors and to change our attitude toward Poland. It is not too late to begin to aim for eventual freedom for Poland. It is not too late to recognize that the Polish people are our friends, regardless of what their Communist masters might say or do. It is not too late to reaffirm our affection and regard for the Polish people and our intention to support them in every manner short of war in their struggle. The cause of Polish freedom is not dead. The Polish people have a written history of 1,000 years of Christian influence and western civilization behind them. For a large part of that millenium they have been struggling for liberty. I do not believe the Polish spirit of liberty can be long subdued by the Communist hordes. It is my hope that this Nation will give all possible support to any forces within or without Poland that work toward a liberation of a great people.

On this anniversary of the death of the first great Polish American, we should remember that Pulaski fought for two things, the freedom of his native Poland and the freedom of his adopted land, America.

At a time when our own country's fight for freedom was at its lowest ebb, when the army of Gen. George Washington was little more than a tired and tattered group of men willing almost to forego liberty for a pair of shoes, a decent meal, a clean bed—at that time when the physical hardship of battling for freedom could so easily have crushed our spirit and our desire for freedom, a great Polish statesman, General Pulaski, left his country and offered his services to the disillusioned army of George Washington.

Like other Polish statesmen of the late eighteenth and the nineteenth century, Pulaski felt that when freedom was suppressed in one part of the world it was dangerous for the rest of the world. Pulaski could no longer fight for the independence of his native land after his military and political group was destroyed by the overwhelming forces of the partitioning powers of Poland. So he came to America to take part in the wider struggle for freedom, feeling that

In helping America obtain her liberty, he would be fighting also for the eventual liberation of Poland. "For your freedom and ours" was the slogan of Pulaski and other Polish statesmen of his day.

General Pulaski's contribution to our freedom and to the American Republic which came about as a result of the Revolution, cannot be repaid by all the statues we have erected in his honor, nor by the great avenues which we have dedicated to him. Only in one way can we truly revere the memory of General Pulaski—by keeping the flame of freedom alive throughout the world and by showing the same great faith in freedom for which Pulaski gave up his life.

Today, when the circumstances under which Pulaski aided our Nation are reversed—when the heart of his native land has been cut out by an oppressor—we should demonstrate the same courage, the same faith in freedom which Pulaski demonstrated. We must denounce our betrayal of Poland at Tehran and Yalta.

The eternal striving of Poland toward the freedom of her own nation and others can never die. Now when the Polish Nation needs the friendship of this country—a Nation to whom she gave her friendship so readily and to whom she gave the services of her greatest statesman in the cause of freedom—we cannot continue to betray the memory of General Pulaski.

The Polish people ask only that we understand their plight, knowing that this country, once it is aware of the truth, will give its full-hearted moral support to the ultimate liberation of Poland.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 3, 5, 11, 21, 25, and 27 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 9 and 26, to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

SUPPLEMENTAL APPROPRIATIONS— CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House bill 6008, making supplemental appropriations for the fiscal year ending June 30, 1950, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The report will be read for the information of the Senate. The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and

free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 8, 13, 14, 19, 20, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 15, 16, 17, 18, 23, 28, 29, and 30, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,700,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,250,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"NATIONAL CAPITAL SESQUICENTENNIAL COMMISSION

"For expenses necessary for the National Capital Sesquicentennial Commission to prepare and carry out a program for the commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, as authorized by the Acts of July 18, 1947 (Public Law 203), and May 31, 1949 (Public Law 78), including personal services and rent in the District of Columbia; Services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and such construction or other expenses as may now be authorized by law; \$3,000,000."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 5, 9, 11, 21, 25, 26, and 27.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,

Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6008, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
October 11, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 11, 21, 25, and 27 to the bill (H. R. 6008) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate

numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "Provided, That the Administrator may, with the approval of the Director of the Bureau of the Budget, transfer to this account from funds of the constituent agencies such sums as relate primarily to functions which are consolidated in the Office of the Administrator as authorized by title III of the Housing Act of 1948, as amended."

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$125,000."

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 9 and 26.

Let me state to the Senate that both of these are merely amendments changing the language so as to make it perfectly clear. For instance, the first relates to the Housing and Home Finance Agency, Office of the Administrator, for salaries and expenses.

I may state that the latter amendment involves purely a matter of language.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a conference report on House bill 86, to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 86) to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 2.

OLIN D. JOHNSTON,
HUBERT H. HUMPHREY,
WILLIAM LANGER,

Managers on the Part of the Senate.

TOM MURRAY,
HOMER THORNBERRY,
EDWARD H. REES,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I call up my amendment lettered "E."

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. . Section 201 of the Sugar Act of 1948 is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That the amount of sugar heretofore determined by the Secretary to be needed to meet the requirements of consumers in the continental United States for the calendar year 1949 are hereby increased by 500,000 short tons, and the Secretary shall revise accordingly the quotas for such year established pursuant to section 202 of this act."

Mr. FULBRIGHT. Mr. President, the occasion for this amendment has arisen because of developments affecting small business people, particularly smaller bottlers. Within the past week I have received a good many telegrams and letters complaining about the continued increase in the price of sugar. For the information of the Senate I shall read just one or two of these as an example of the character of the complaints. The first is from Wynne, Ark., a small town in my State:

In spite of bumper world crops sugar prices have advanced while other commodity prices have lowered. Make every effort to get Secretary of Agriculture to increase both national allotments and quotas now by at least one-half million tons.

FRED RITCHIE,
Nehi Bottling Co.

Mr. WHERRY. Mr. President, can the Senator give us an idea of what this man bottles?

Mr. FULBRIGHT. The Nehi Bottling Co. produces a line of drinks, soda waters. They are usually made up by small bottling companies.

Mr. WHERRY. Are they independent?

Mr. FULBRIGHT. They are independent. Practically all these companies are small, locally-run independents. There are only a few large bottlers, in the large cities. I shall come to a discussion of the character of the trade a little later. There are, roughly, 6,000 of these small independent bottlers in the country.

Involved in this question are not only the bottlers, but business people like candy makers, local confectioners, canners, ice cream makers, and the like. They are all in the same boat, in the business sense, in relation to the continued increase in the price of sugar. It is a very strange thing that while all other commodities, wheat, corn, cotton, and so on, have gone down in price in the last 3 years, the price of sugar has continued to rise. It has gone up this year; there have been two or three increases during the year. It is now at \$9.50 a hundred in the large centers, which is approximately twice as much as it was in 1939. From all I can gather it is likely to continue to rise, from the way the Sugar Act of 1948 has been administered.

Mr. WHERRY. Will the Senator advise us whether the result of the amendment would be an increase in acreage?

Mr. FULBRIGHT. I wish to develop that idea. This particular amendment is in the nature of immediate assistance to the consumers of sugar, by directing

the Secretary to increase the quota immediately. One of the major defects in the handling of the sugar question has been the administration by the Secretary of Agriculture. I must say I do not think that is the only defect. I think the act gives an unwarranted preference to a selected group. I see no reason why sugar should not be on the same basis with wheat, corn, cotton, peanuts, and tobacco so far as support price is concerned. To me this is a wholly unconscionable preference which has been given to a relatively unimportant segment of agriculture, and I hope to say a few words about that.

At the time the bill was passed, at which time the Senator was present, there was practically no debate, and there was no record vote. The bill was passed on July 25, 1947, the last day of the session. I am frank to confess that at the time I had not the slightest idea of what the bill did and how it did it, and what was the effect of it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. Did the Senator observe the Senators who sponsored the Sugar Act last year?

Mr. FULBRIGHT. I am speaking of the act passed in July 1947.

Mr. MILLIKIN. Did the Senator notice who sponsored it?

Mr. FULBRIGHT. I noticed a large number of Senators sponsored it. I assume they were all from States that produce sugar.

Mr. MILLIKIN. A very large number of Senators sponsored the bill. It was, quite naturally, sponsored by Senators from States which produce sugar, and a large number of States produce sugar.

Mr. FULBRIGHT. My complaint is that I do not quite see why sugar should have a preferential treatment over wheat, for example. There are a large number of wheat States. There are a large number of corn States.

Mr. MILLIKIN. Has the Senator introduced any measure to change the Sugar Act?

Mr. FULBRIGHT. Yes; I am speaking now of an amendment I have submitted.

Mr. MILLIKIN. That amendment goes merely to the increase of the quantity.

Mr. FULBRIGHT. No; I have another amendment pending which proposes to repeal the Sugar Act. If the amendment I am now speaking to is not adopted, I wish to submit a second amendment to repeal the Sugar Act.

Mr. MILLIKIN. The Senator is now dealing with the one which would increase the amount of the quota?

Mr. FULBRIGHT. Yes.

Mr. MILLIKIN. A matter which is within the present discretion of the Secretary of Agriculture.

Mr. FULBRIGHT. The Senator is quite correct. I have just made that plain.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. WHERRY. If the amendment the Senator is now discussing is not

adopted, then is it the intention of the Senator from Arkansas to offer an amendment to repeal the Sugar Act?

Mr. FULBRIGHT. It is my intention to offer that amendment. I will say to the Senator from Nebraska. It will be up to the Senate to repeal the Sugar Act.

Mr. WHERRY. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. WHERRY. I think that act was worked out with the growers and the sugar refineries—at least that is true of my State and, I am satisfied, of States of the Middle West—in conjunction with the sugar growers in the largest sugar-producing States. Not only that, but I might say for the benefit of the distinguished Senator from Arkansas it was worked out with the sugar growers of Cuba and the sugar growers all over the world that we would have a certain quota and they would have a certain quota. After all, I think the United States buys most of the foreign sugar; at least the International Food Board makes the allocations. The Secretary of Agriculture sits on the Board, does he not, and if there is anything wrong he can do something to correct it, can he not?

Mr. FULBRIGHT. I certainly agree that the administration of the act by the Secretary of Agriculture is bad.

Mr. WHERRY. Very well.

Mr. FULBRIGHT. I will also go further and say that the act itself is unjustified, because sugar ought to be treated just like the other basic commodities. Its total value is much less than that of our major crops.

I will risk boring the Senate by reading one other telegram just to give the Senate a slight variation of the type of complaints which have come in. This telegram is addressed to me, and reads as follows:

Despite huge surpluses of sugar the price continues to advance. Please use your influence to get Secretary of Agriculture to increase both national allotments and quotas now by at least one-half million tons. Ours is one of very few industries which have held price line. We appreciate the excellent job you are doing.

Signed:

"Jimmie" Sanders. Pepsi-Cola Bottling Co. of Blytheville.

Of course, this industry is in a particularly bad situation, in that it is about the only industry I can think of which is selling its commodity at the same price, and of the same size it has been for the last 20 years, or 50 years, for that matter. Ever since I have known it it has been sold at 5 cents a bottle. That is all the retailers receive. Yet the price of the ingredients has risen. Not only has the price of ingredients risen, but so has the cost of labor. Of course, the industry has had to absorb those increases, as well as the increased price of all other materials.

The price of sugar has increased to them due to the very peculiar situation which has developed, as was pointed out, by reason of cooperation of the growers and the processors. How did that cooperation result? Through a most unusual act. There is no other act similar to it

that I know of. Here is a commodity which was produced in 1948 of the value, in round figures, of about \$130,000,000. The per capita consumption of sugar in this country is roughly 100 pounds per person. I think the amount is 102 pounds per person. That is divided about equally between table consumption and industrial consumption. About 50 pounds go into the sugar bowl of the American housewife for table use, and so forth. The other 50 pounds go to industrial users such as those I am talking about. They are to a great extent small-business people.

The act has a very peculiar combination of methods of extorting increased funds from the public. We have here an act which imposes a tariff. We have an act which provides for payment of a subsidy to the producer. We have an act which provides for an ironclad quota, and which gives the power of enforcement to the Secretary, but under his administration the Secretary has not even reallocated the deficiencies which have developed in the producing areas which, in effect, amounts to a decrease in the quota which was set.

As an example of how it worked this year, in December of last year the Secretary set a quota of 7,250,000 tons for this year, although in 1948 there was more than that consumed by this country. How it could be imagined that there would be less consumption in 1949 than there was in 1948 no one has been able to explain. I protested at the time, and a little later I want to put in the RECORD the letter I wrote and the answer I received showing, I think, how completely negligent those administering the act have been in doing so. Even assuming that the act would be workable if properly administered with the combination of power that is given the Secretary and the producers, I think it is the worst imposition upon the American people that could be imagined; not only upon the small-business men, but on the average housewife, when we consider the relative importance of this crop and what it costs the people of the country to protect and to enrich this small group of producers—small, I mean, compared to those who produce wheat or corn or cotton, or, for that matter, tobacco or peanuts.

As I said, I do not have all the figures. I know off-hand that the value of our cotton crop is in the neighborhood of one and one-half billion dollars to \$1,800,000,000. But here there was a great deal of complaint about an anticipated loss which we might suffer by the purchase of some cotton by the Commodity Credit Corporation. That loss has not been realized, because the Corporation made a big profit out of what it bought before the war. But we are dealing there with a great segment of our agriculture. Here is a little group of 55,000 farmers on only 1,000,000 acres of land, producing a crop valued at only \$130,000,000, for the protection of which this tribute is levied on all the American people.

I go back now to the character of this bottling industry. I happen to know something about bottling. I have a

small interest in a small bottling company in my home town of Fayetteville, so I have some personal knowledge of the facts in this industry, aside from the information which has been sent to me. This industry is an example of that which is the hardest hit by legislation of this kind. As I said, there are approximately 6,000 bottling plants. It is an industry which is essentially one of small businesses, locally owned and operated, and which forms an integral part of the business life of the small communities. We hear much in the Senate about protecting small business. I have yet to run across a single instance when anything concrete has ever been done about it by this Senate. These small businesses, local in character, constitute an average productive value of approximately \$800,000,000 a year. That is around six times as important in the gross value of the product as the whole domestic sugar industry. They provide employment for more than 80,000 men and women on a year round basis, which is a substantially larger number than all the farmers who produce sugar in this country. They are the third largest customer of the glass-bottle manufacturing industry. That affects many industrial States. They are the third largest consumer of glass products. They are important users of automotive equipment, machinery, plant equipment, lumber and fiberboard products, petroleum products, textiles, printing, and advertising materials, as well as many other products of industries which are essential to America's industrial health and well being.

The products of bottling plants are sold through 1,250,000 groceries, restaurants, roadside stands, and amusement centers. For the most part, all those operators are small-business men and women, scattered all over the communities and up and down our highways. Many of them depend to a very great extent for their profit upon the handling of soft drinks.

Soft-drink bottlers traditionally sell their products at levels which permit the resale of the bottled drinks to consumers at an acceptable price. I think it is unique in industry in our country that the prices now obtained from the sale of their products are the same as they were before the last war or before the first war. Ever since I have known anything about the subject, the price has been 5 cents, and still is, for a bottle of Coca-Cola, Nehi, Grapette, Dr. Pepper, 7-Up, or what have you. The principal ingredient of a bottle of soft drink is approximately 2 ounces of sugar sirup. That is where this cost hits them. There has been a gradual squeezing out of all the profit. Hence the telegrams which I have received.

The price of sugar is now approximately 100 percent higher than it was before the war. It is the only agricultural commodity that I know of the price of which has been constantly going up during the past year. There was an increase in January of 25 points. There was an increase only last month, when the Secretary finally got around to the announcement of a revision of the quota

which he had set last December. He waited so long that the effect of it will be very slight on this year's price. In the meantime the price has gradually climbed up until it is now, on the average, in the large centers, \$9.50 a hundred. In the smaller centers, because of distribution cost, it is slightly higher. I am informed that in my town it is \$10.

In 1948 the sugarcane and sugar-beet crops in the United States amounted to \$163,238,000, including a total of \$32,328,000 in cash payments from the United States Treasury to the growers. The value of the sugar itself was approximately \$130,000,000.

I referred to the official consumption estimate for 1949, which controls the flow of sugar to American consumers. That was set as long ago as December, at 7,250,000 short tons, or approximately 250,000 tons below the actual 1948 consumption, as officially reported by the Bureau of Agricultural Economics. I should like to place the quotas in the RECORD, and point out the fact that not since 1940 has the beet-sugar industry produced anything near the quota which was given to it under the act.

The Sugar Act of 1948 recognizes certain areas and sets the quotas. The mainland beet quota was set at 1,800,000 tons. Never since 1940 has that point been reached. It went down in 1943 to less than 1,000,000 tons. This year it is estimated that distribution will be between 300,000 and 400,000 tons under the quota. The final figures have yet to be issued.

Mainland cane has a quota of 500,000 tons. In 1948 mainland beet-sugar production was 1,656,000 tons, which, as will be seen, is approximately 150,000 tons under the quota. The quota for mainland cane was 500,000 tons. The production was 469,000 tons. Hawaii, with a quota of 1,052,000 tons, produced 714,000 tons. That is, that much was distributed in the United States. Puerto Rico, with a quota of 910,000 tons, distributed 1,026,000 tons. The Virgin Islands, with a quota of 6,000 tons, distributed 4,000 tons. The Philippines, with a quota of 982,000 tons, distributed only 252,000 tons. Cuba, with a quota of 1,923,000 tons, distributed 3,124,000 tons. The quota for other foreign production was 27,000 tons, and the distribution was 98,000 tons.

Of course, when these quotas were not met by the producing areas, the deficit was allocated to Cuba. For the RECORD it should be noted that the difference between the 7,343,000 tons delivered in 1948 and the Department of Agriculture estimate of 7,500,000 tons consumption is covered by withdrawals from reserves on hand at the beginning of 1948. That is what is happening now. I have figures from the Department of Agriculture which indicate that these deficits, which the Department has refused to allocate to Cuba or to areas which have the sugar, are being made up and met by depletion of the inventories and reserves of the companies, so that we are approaching the end of the year with very much less sugar than we normally have in that supply. That is one of the reasons why the price continues to rise.

The record shows that mainland beet-sugar production falls short of its 1,800,000-ton quota by anywhere from 200,000 to 600,000 tons, and that the Philippines are still far from filling their quota. We know what has happened in Hawaii, which was one of the explanations for the decline in its deliveries.

The Department of Agriculture could see as well as anyone else that when labor trouble developed in Hawaii there would be a great deficit in the amount of sugar which could be shipped; but the Department delayed the revision of the quota. The first time it made any revision in the quota was on September 13, I believe, not quite a month ago, when the Department finally revised the original estimate. That is very late in the year, as anyone can see.

The mainland producers consist of approximately 1 percent of our farmers. The total number of producer beneficiaries of subsidy payments under the Sugar Act of 1948 was 55,702. The total number of farmers in continental United States, shown by the latest United States census, for 1945, is 5,851,169. The gross farm income for all crops was \$31,312,000,000 for 1948. The beet- and cane-sugar acreage for 1949 is 1,062,000, three-tenths of 1 percent of the gross crop acreage for 1949, which is 353,000,000 acres.

The annual sugar bill for mainland United States is \$1,400,000,000. That includes a hidden excise tax of \$78,000,000, which is paid by the processor. It seems to me that those who are always talking about their interest in the consumer should certainly take an interest in the operation of this act.

On September 13, Secretary Brannan revised his original estimate of 1949 requirements, which he made on December 23, 1948, by increasing it 250,000 tons, which I think is approximately half enough. But this only brought the basic estimate up to the Department of Agriculture's estimate of 7,500,000 tons actual consumption in 1948, as I have already mentioned, although the Department reported on September 13, 1949, that consumption for the first 8 months in the current year had exceeded by 165,000 tons the consumption for the same period last year. Since then, as of September 24, this excess over last year's consumption has increased to 260,000 tons.

On September 26, the Secretary made two further reallocations of deficits. He should have made these reallocations at least 3 months before. He made one of 100,000 tons to adjust for shortage in mainland beet production and one of 200,000 tons against the shortage developed by labor difficulties in the Hawaiian area. These reallocations substantially cover the deficits anticipated this year, but increased consumption is still to be provided for. That is why my first amendment is entirely justified.

The Secretary's policy of releasing sugar on a hand-to-mouth basis—of keeping our sugar trade continuously "behind the eight-ball"—has naturally had its effect in Cuba which produced a surplus of some 1,000,000 tons above its marketing expectations. World mar-

kets proved stronger than had been anticipated; hence, the Cubans, impatient with our Secretary's policy, began disposing of this surplus in those markets.

At the same time our own sugar users, prevented from getting adequate supplies of new sugar, began drawing still further on the so-called invisibles or reserve stocks in the hands of industrial users, wholesalers, and retailers. The result is reflected in the USDA figures given in the August 29 report on Invisible Supplies. I have before me a copy of that report, and I shall refer to it in a moment. As indicated by the marked figures in this report, 1,037 firms had on hand more sugar in 1947, just before rationing was discontinued, than 1,400 firms had on June 30 of this year. Hence, our sugar "pipe line" has been so depleted that we have little or no reserves upon which to draw between now and March 1, when new sugar will start moving in from Cuba.

The two figures I have just mentioned are as follows: On June 30, 1947, 1,037 firms had 237,049 short tons of sugar, raw value, on hand. This year, 1949, 1,400 firms, or approximately 350 more firms, had on hand, on June 30, 235,765 short tons, raw value, of sugar, showing a very marked decrease in the amount of sugar inventory on hand for those reporting firms.

Mr. President, I have a very interesting letter from the National Association of Consumers, an organization which is not interested in the bottlers, so far as I know, but is interested in the ordinary, average housewife. I wish to read from page 2 of its field letter dated September 1, 1949:

3. Also at any time or times during the year that it becomes apparent that any of the producing areas will fall short of their respective quotas, he—

That is to say, the Secretary of Agriculture—

may reallocate such deficits to areas with surplus production, increasing their quotas by the amounts of such allocations. As all the domestic producing areas were given, in the law, basic quotas at or near their record production, most of these areas (and chiefly the mainland beet sugar) fail to meet their quotas by varying amounts year after year. Unless and until each of these deficits is reallocated, it is obvious that the total supply of sugar made available to consumers will be reduced by the amount of shortage outstanding.

How has this device worked in the current year?

On December 23, 1948, the Secretary of Agriculture published his estimate for 1949 at 7,250,000 tons, or 250,000 tons below the Department of Agriculture's estimate of actual consumption in 1948. As of August 24, 1949, this estimate still binds the sugar trade in the strait-jacket.

Although sugar experts knew from experience and from field reports at the beginning of this year that mainland beet-sugar production would fall short of its quota by 350,000 tons and that the Philippines, still struggling to rebuild from wartime destruction of their sugar industry, would fall by at least 425,000 tons, here is the record to date of reallocations:

1949:	Tons
January 8, Philippine.....	125,000
June 16, mainland beets.....	200,000
June 30, Philippine.....	300,000
August 29, Hawaii.....	200,000

This latest reallocation reflects the result of the protracted labor struggle in Hawaii and therefore will presumably effect no net increase in supplies available to the mainland. Thus we are now well into the third quarter of the year (the season of peak sugar consumption by both housewives and food-processing plants) with a supply for the year of 7,100,000 tons, or 500,000 below last year's consumption.

That was the estimate given in the telegrams I read a moment ago.

Since that was written, the Secretary of Agriculture has increased and revised his estimate, increasing the quota about 250,000 tons. My amendment provides that he shall increase it another 250,000 tons, in order to meet the deficit.

Of course, it may be too late. I cannot say whether it will be, because several letters indicate that the Cubans already have disposed of much of their surplus, and it is not definitely known how much of it they have left. But certainly we should take advantage of whatever supplies they have left, in order to meet the demands of this country.

Mr. President, with regard to the action of the Secretary, as I mentioned a moment ago, very strong protest was made regarding his action in setting the quota as low as 7,250,000 tons. The bottling association recommended that he set a quota of 7,940,000 tons, at the hearings that were held last year, in November, 1948, I think it was. Vigorous protest was made at that time by some of the bottlers, but he ignored their protest, and again shortly after that, on February 4, I wrote the Secretary, Mr. Brannan. I ask permission to insert in the RECORD at this point a copy of my letter of February 4, and, following that, a copy of a letter dated February 28, 1949, signed by Mr. Loveland, Under Secretary, which simply brushes off the whole inquiry with the statement in substance that they know what they are doing, and that they stood by their decision.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 4, 1949.

HON. CHARLES F. BRANNAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: My attention has been called to the complaints on behalf of consumers generally concerning the sugar quota of 1949, and particularly to the failure of the Department of Agriculture to reassign anticipated deficiencies in sugar-producing areas.

I understand that the major sugar using industries requested a minimum of 7,940,000 tons, but that you granted a quota of only 7,250,000 tons. It is also my understanding that the American consumers pay approximately 1.20 cents more for their sugar today than the world market, and that this restriction on your part is tending to increase the price of sugar very substantially.

I find it very difficult to reconcile the requests of the administration for controls designed to curb inflation on the one hand and on the other this artificial restriction on an item of such basic importance as sugar, with the objective of raising the price.

The bottlers of soft drinks in my State, and I am sure that it is the same throughout the country, are being very severely squeezed, and in many cases forced out of business by this policy. It seems to me that the deficiency

should be reallocated at the earliest possible time. I also would like to request that you review the quota for 1949 with a view to raising it sufficiently to take care of the domestic demand without increasing the price.

I will appreciate very much having your views about this matter.

With kindest regards, I am,

Sincerely yours,

J. W. FULBRIGHT.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 28, 1949.
Hon. J. W. FULBRIGHT,
United States Senate.

DEAR SENATOR: This is in reply to your letter of February 4, 1949, regarding complaints received from your constituents criticizing the Department for maintaining a high sugar price, establishing the 1949 sugar-consumption estimate at the low figure of 7,250,000 short tons, raw value, and failure to reassign immediately any anticipated deficiencies in sugar-producing areas.

The Department is required under the Sugar Act to estimate the consumption requirements each year in December for the following year and to establish quotas in accordance with the formula in the act based on such estimated total requirements. The act also provides for revision of the initial estimate of consumption requirements during the year in question whenever developments make such revision necessary. The Department continuously reviews data with respect to sugar imports, distribution, consumption, and demand and stands ready to revise the consumption estimate and quotas whenever necessary. To illustrate, the 1948 consumption requirements were established at 7,800,000 tons. During the year that estimate was revised to 7,500,000 tons, then to 7,000,000 tons, and finally to 7,200,000 tons. Only a little more than a month of the year 1949 has elapsed and it is obviously too early to draw any firm conclusions with respect to the accuracy of the initial consumption estimate of 7,250,000 tons.

In regard to the reallocation of deficits, it should be pointed out that the Department is required under the Sugar Act to reallocate deficits in the quotas for the various areas whenever the facts clearly indicate that such areas will be unable to market the total quotas established for them under the act. As a result 125,000 short tons of the 1949 Philippine sugar quota was reallocated in General Sugar Quota Regulations, series 11, No. 1, effective January 1, 1949, to Cuba and other foreign countries. The calendar year has just begun; production of sugar in Puerto Rico, Hawaii, and the Republic of the Philippines is still in progress. Prospective deficiencies in the continental cane-and-beet areas for any calendar year are affected by the fall production and marketing of sugar by these areas. Later in the year it will be possible to determine with far greater accuracy the amount of any deficits from any particular area.

With regard to the price of sugar, we should like to call your attention to the objective of the consumption estimate, which is set forth in section 201 of the Sugar Act of 1948. This objective is to provide a supply of sugar for the year at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry. The estimate of sugar consumption requirements announced on December 23, 1948, was made only after public hearings held on November 15 and 16, 1948, at which representatives of industrial sugar users and consuming groups, as well as representatives of the domestic sugar-producing groups, were given an opportunity to express their points of view as to the size of the sugar quotas. A copy of the press statement is enclosed announcing the 1949 sugar consumption esti-

mate which indicates the Department's responsibilities under this act insofar as they relate to sugar consumption and prices.

While it is true that the wholesale price of refined sugar has advanced since January 3, 1949, from 7.75 cents per pound to 8 cents per pound, seaboard basis, it should be noted that this price is almost one-half cent less than the 8.40-cent price which prevailed in October 1947 under price controls. It seems apparent that if we are to have relatively large supplies of sugar that our food processors and civilians require, the price of sugar must be maintained at levels which are fair to producers as well as to consumers.

We hope the foregoing explanation will clarify this matter.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

Mr. FULBRIGHT. I ask to have included in the RECORD at this point in my remarks my second letter, dated October 6, 1949, addressed to Mr. Brannan, calling his attention to these developments.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
October 6, 1949.

The Honorable CHARLES F. BRANNAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: As I am receiving many telegrams and other communications from industrial sugar users in my State, complaining about the current situation in sugar and urging an immediate and adequate increase in your basic estimate of sugar requirements for 1949, I have had my office assemble information on the subject.

This information would seem not only to justify the concern of my constituents but also to reflect a grave situation affecting sugar consumers throughout our Nation. I shall therefore appreciate any comment you may want to make, as well as an indication of your Department's basic sugar policy for the balance of this calendar year and for 1950.

I do not need to tell you that the industrial sugar users constitute an important segment of our whole economy, directly employing many times the number of mainland farmers growing sugar cane and sugar beets, and being heavy purchasers of glass bottles, wooden cases and cartons, advertising, etc. Unless they can be assured of sugar at a reasonable price and in steady and adequate supply, many of these industrial users (and especially the small businesses in our towns and villages) may be forced out of business with consequent damage to our economy and bitterness against governmental interference with normal trade.

Further, it is obvious that the housewives of Arkansas and of our sister States are equally affected through their purchases of sugar for direct consumption in the home. They may be slower to recognize the danger and less well organized than the industrial users to express their concern, but for that very reason the Congress and the administration should be especially conscientious in protecting their consumer interest.

What I gather from the information available to me is that we are now in the last quarter of the calendar year with our sugar supplies held to your own Department's estimate of actual consumption in 1948, although the use of sugar in the current year is already more than 250,000 tons above that during the first three quarters of last year. As a result, reserve stocks in the "pipe line" of refiners, industrial users, wholesalers, and retailers have been drawn down substantially below the reserves which were considered essential for an orderly distribution of sugar when

rationing was still officially in effect. I understand further that because of the sugar-control policy which has been in effect so far this year Cuban producers have become so discouraged and impatient that much of their surplus sugar, which we have traditionally called on to help us through tight situations, has already been disposed of in world markets. Now that we need it badly, it just isn't there.

Finally, I am told that it is not sufficient so to plan our sugar-control policy as to squeak through this calendar year. With the Cuban surplus, which was estimated at 1,000,000 tons at the beginning of this year, all but dissipated in world markets, there may not be sufficient carry-over to fill our normal sugar needs in January and February, the "dead" months before Cuba's new crop begins to reach our markets.

Apparently we are faced with these alternatives: Either we must act promptly through an adequate increase in the basic estimate to permit our mainland refiners to buy such raw sugar as still may be available in Cuba or the President will have to suspend all sugar quotas, as was done in the wartime emergency. To have to resort to this latter alternative in a year of peace when world sugar production has reached an all-time high of more than 37,000,000 tons would reflect a complete break-down in the administration of the Sugar Act. I am confident that you will do everything in your power to prevent such a development.

Sincerely yours,

J. W. FULBRIGHT.

Mr. FULBRIGHT. It is a rather mysterious thing to me why in the face of the developments in Hawaii, which are well known, and in fact, in the face of the well-known facts of the situation in the Philippines, that he was so slow in making these reallocations of the deficits.

In this connection I ran into what I think was rather interesting information. It may have significance. I certainly think it is worth while calling it to the attention of the Senate, not only in the consideration of the amendment but in the consideration of the Sugar Act as a whole. All Senators who have been in the Senate for any length of time are quite familiar with Representative FLANNAGAN, who was Chairman of the Agricultural Committee of the House. He was from Virginia. I am quoting from a summary of his statement made on July 10, 1947, shortly before the passage of the present Sugar Act. The statement is found in volume 93, part VII of the CONGRESSIONAL RECORD, at page 8636. I think it is very pertinent as to how the original act was passed. I mentioned a moment ago that if Senators will look in the RECORD of July 25, 1947, they will see there was very little debate on the entire act. There was no yeas-and-nays vote. It was passed by a voice vote. There was no division. I am frank to say I had not the slightest idea what the bill was, or of what it did. It was announced that everyone was in agreement, it was a fine bill, and there was no objection. I can well understand that anyone who has the slightest interest in the sugar industry would not object to this bill, because there is nothing comparable with the Sugar Act to be found in our laws, in the way it protects, subsidizes, and supports the sugar industry. There is nothing concerning any other industry comparable with it.

I cannot of course testify as to its accuracy, but this is a brief statement of what the chairman of the Agricultural Committee said, taken from the CONGRESSIONAL RECORD:

Robert Shields, then Solicitor of the Department of Agriculture, wrote the bill which became the Sugar Act of 1948. He resigned (before the bill was passed) and went to work for the United States Beet Sugar Association at a reputed salary of \$40,000 per year. He took along with him, at \$18,000 per year one H. B. Boyd, a member of the Board of the Commodity Credit Corporation, who, with Shields (as another member) had voted to make an award of \$1,500,000 to the Sugar Trust, under a contract with CCC covering the 1943 crop, after the then Economic Stabilizer, Byrns, had turned it down. Also one Dennis O'Rourke, then in the Solicitor's office, Department of Agriculture, wrote an opinion upholding the claim of the Sugar Trust. He was also taken care of by one of the Sugar companies.

Earl Wilson, while drawing a salary of \$25,000 a year as vice president of the National Sugar Refining Co., also was connected with the Sugar Branch of both the CCC and the Department of Agriculture. Secretary Anderson found out about this, referred the question to Shields, who was then solicitor, for an opinion. Shields took up the question with Justice, which ruled he could not draw both salaries. Wilson then relinquished his salary from the company and went to work for the Department until the latter part of 1946. Today I am told he is drawing \$50,000 per year as an official of the California-Hawaiian Sugar Refining Co.

There was also inserted in the report of the committee the reply by Secretary Brannan to the Senator from Wisconsin [Mr. McCARTHY], who had made inquiry about the Act. I quote from the Secretary's answer to the Senator; taken from last year's hearings on inflation control legislation before the Banking and Currency Committee:

REPLY TO INQUIRY OF SENATOR M'CARTHY BY
SECRETARY BRANNAN

The original determination of the amount of sugar needed to meet requirements of consumers in the continental United States during the year 1948 was made by Secretary of Agriculture Clinton P. Anderson on January 2, 1948. The amount was 7,800,000 short tons. At that time Mr. James H. Marshall was Director of the Sugar Branch, Production and Marketing Administration of the Department. On February 26, 1948, this estimate was revised. The revised estimate was 7,500,000 short tons. At that time CLINTON P. ANDERSON was Secretary of the Department and Mr. James H. Marshall was Director of the Sugar Branch. On May 25, 1948, the estimate was again revised. The second revision placed the estimate at 7,000,000 short tons. At this time Mr. N. E. Dodd was Acting Secretary of Agriculture and Mr. Lawrence was Acting Director of the Sugar Branch.

Mr. James H. Marshall left the Department on April 3, 1948, to enter the employ of the California-Hawaiian Sugar Refining Corp. with headquarters at San Francisco. I have no information regarding his salary.

That ends the quotation of Mr. Brannan's reply. But those little statements certainly indicate there was strong pressure in the Department, aside from the Office of the Secretary, which influenced the quotas which we see starting at 7,800,000 short tons, reduced to 7,000,000. Although the consumption of sugar was 7,500,000 tons.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. Of all the people I have been associated with in the Department of Agriculture, I know no individual whose sense of integrity was higher than that of Earl Wilson, who was head of the Sugar Branch. He left a very fine job at \$25,000 a year to serve during the war at \$9,000 a year, when his personal financial resources were very thin. He left the Department to return to private business, expecting to resume his former position. It was, I think, my own urging that prevailed upon him to announce to the trade that he was returning to private business. He was swamped with offers from companies of all kinds, and finally he accepted one in excess of \$50,000.

As to James Marshall: three distinguished American companies tried to obtain his services. He finally took a salary at much less than the salary offered him by another company, to go with Mr. Wilson, because he admired him so greatly. Mr. Marshall's health was so shattered by the work he did in the Department of Agriculture, working night after night, late at night, at \$7,000 and then at \$8,000 a year, that he was unable to assume his duties with the new company for nearly a year after he went into its employ. Mr. Wilson and Mr. Marshall are two of the finest men I have ever known in my life.

Mr. FULBRIGHT. Mr. President, I will say to the Senator that I do not know any of the persons individually. These are circumstances which the chairman of the committee drew to the attention of the House. I do not think the association of those occurrences in the allocations and legislation referred to necessarily proves that anyone has done anything criminal or open to censure from a legal or ethical point of view. There has been a similar problem in the RFC. There were cases in which persons who had participated in the granting of loans in very large amounts took positions with firms which had received the loans. The Baltimore & Ohio Railroad was one instance. No one said it violated any practice at all, but there was a feeling left in the minds of certain persons that it was not quite the proper thing to do, when a railroad had been loaned \$80,000,000, for the person who was instrumental in connection with the loan to take a position at three or four times his previous salary. The Senate recently passed a bill prohibiting that sort of thing. It is no reflection upon the honesty and integrity of the persons who, prior to this time, have done it, because it has been an accepted practice. There were several instances at RFC, but none of the persons involved could be said to have violated any regulation or rule.

It is true that there grows up an association in the process of making a loan or setting a quota. I am not interested in condemning those individuals. I am seeking to condemn a law which places a wholly arbitrary power in the Secretary of Agriculture. It has been exercised arbitrarily this year and has resulted in a most peculiar and evil situation with regard to the American consumer.

It involves a small item, overall, although it amounts to \$1,400,000,000 in the total cost to the country. It may be that the housewife does not worry about it very much, but it is all out of reason when one considers what a small segment of agriculture is being subsidized.

I have no idea of saying that sugar should not be protected. I do say that it should not be protected any more than is any other of our basic crops. I am quite unable to see how it deserves to stand quite apart from every other kind of agricultural product and be hedged about with tariffs, subsidies, and quotas. I am frank to say that I was not conscious of the situation until I received complaints and began to look into the way in which it is operating. I think the Secretary should not have such power over the selling price of sugar. If a support price comparable to that of wheat could be justified, I should be for it. But I think we are paying a big price to protect 1 percent of our farmers in this program.

Mr. President, I do not wish to proceed much further. However, I want to call attention to one or two items. Cannery use large amounts of sugar. There are many small cannery as well as large ones in nearly every State in the Union who are hit by this bill. In addition to that, I have some bulletins showing the impact upon other fields of agriculture.

My State, along with some others, happens to export rice to Cuba. Cuba is probably the largest single purchaser of rice from the United States. I wish to read from the bulletin for September, 1949, of the United States Cuban Sugar Council:

Texas, as the second largest rice-producing State, ordinarily providing about 25 percent of the total grown in this country, has an interest in Cuba's purchases of rice.

Rice exports from the United States to Cuba in 1948 were valued at \$43,000,000 and in 1947 at \$74,000,000, about 50 percent of the total value of all rice exports from this country in 1948 and 81 percent in 1947.

Rice exports to all countries in 1948 amounted to about one-third of the total United States crop and in 1947 to 41 percent. Exports to Cuba constituted 17 percent of the crop in 1948 and 32 percent in 1947.

The sum of \$43,000,000 is approximately one-third of the total value of all the sugar produced in the United States. The farmers in that field have an interest. We cannot disassociate this one problem from any of the others. I think it has a harsh impact upon our whole agricultural program to treat this particular crop in this highly preferential manner.

I am told that in Florida, in 1948, Cuban tourists spent \$70,000,000, a sum almost equal to the total value of the Florida citrus crop in good years. That statement is from the general counsel of the United States Cuban Sugar Council. I should like to quote another sentence from his letter:

Similarly, while one hears constantly of the Louisiana sugarcane production, the Cuban purchases of rice from that State seem generally to be lost sight of.

The exports of other agricultural products to Cuba are, of course, directly dependent upon the purchases of sugar from Cuba. If we establish quotas in an effort to try to force an artificially high production of sugar in this country, we get caught in the back-lash.

Mr. President, at this point I should like to insert in the RECORD a copy of an editorial from the New York Times of Friday, November 19, 1948, which gives a fairly good description of the act. It is entitled "The Sugar Act Farce."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SUGAR ACT FARCE

This week the Sugar Branch of the Department of Agriculture conducted hearings to which it invited all persons interested in the determination of next year's consumption requirements for the United States.

Under the Sugar Act of 1948 the Secretary of Agriculture is directed to make such an estimate some time during December. Domestic producers are guaranteed a minimum quota of 1,800,000 tons, and on the basis of the estimate of probable total demand the Secretary decides what the import quotas will be for the year. Among the considerations which he is instructed to keep in mind are: The level of consumption of sugar this year; whether there is a current deficiency or surplus of sugar inventories; current trends in population and consumer demand, and the cost of living today compared with that of 1947. There is also an officially stated warning from Congress that the resulting quota figure must "protect the welfare of consumers" by insuring prices that are not excessive, but must also protect the welfare of the domestic sugar-producing industry.

The hearings this week testify to the fantastic character of the Agriculture Department's assignment under the contradictory provisions of this act. It also corroborates a prediction we made here when the law was under debate more than a year ago. The Department, we then pointed out, would find itself under constant pressure to arrive at consumption estimates which would result in artificial shortage of sugar, thus deliberately squeezing the Nation's consumers by a rise in prices for the benefit of a few thousand domestic producers.

A year ago CLINTON P. ANDERSON, then Secretary of Agriculture, estimated American sugar consumption for 1948 at 7,800,000 tons. This forecast was subsequently revised three times, finally coming to rest at 7,200,000 tons. Deliveries of newly produced sugar this year will come to just about 7,200,000 tons, but it is estimated that consumption from invisible sources accounted for an additional 400,000 to 450,000 tons. That would mean an indicated total consumption for 1948 of 7,600,000 tons or thereabout.

There is nothing in the potential-demand situation to suggest that the country won't require at least as much sugar in 1949 as it did in 1948. Representatives of consumer groups maintain that the consumption figure should be set at 8,000,000 to 8,500,000 tons if household needs and the needs of industrial users for current consumption and inventory rebuilding are to be met. Doubtless those figures can be regarded as somewhat on the generous side. But what do the producers have to say? They demand that the consumption figure be set at around 6,900,000 to 7,000,000 tons. But here is the interesting point. They don't even pretend that they are arguing for this estimate because it represents the country's probable sugar requirements. They say frankly that they are proposing it because it would have

the effect of raising the price of refined sugar from the present level of 7.75 cents a pound to around 9.15 cents. In other words, the Government is being called upon to bring out an estimate of the country's sugar needs that is arbitrarily manipulated in order that a handful of producers may profit from the artificial shortage thus created.

One might be tempted under ordinary circumstances to say that it is not the sugar interests who are to blame in this case but the legislation which encourages such action on their part. Unfortunately, however, this law happens to be the handiwork of the domestic sugar industry itself, including the representatives of the producers. So, if the latter are taking advantage of provisions of the law which require the Government to safeguard their welfare and consider living-cost changes, they are simply relying upon provisions which they themselves wrote into it.

Mr. LUCAS. Mr. President, much as I dislike to disagree with my distinguished friend from Arkansas, I rise in opposition to his amendment. We passed the Sugar Act in 1948, and as I recall, there was no particular objection at that time. I have always considered the Sugar Act of 1948 a rather fine piece of legislation.

Under this proviso we find that the amount of sugar heretofore determined by the Secretary to meet the requirements of consumers in continental United States for the calendar year 1949 will be increased approximately 500,000 short tons.

Mr. President, this is an important amendment. It is the kind of an amendment which should be studied most seriously, after hearing experts upon the question. The committee to which an amendment of this kind should be referred is the Finance Committee. The distinguished Senator from Arkansas is offering an amendment of this kind without any hearings whatsoever before the Finance Committee, and it seems to me to be unwise and improper. In discussing the Magnuson amendment a few days ago my good friend had this to say, which definitely clinches the argument, so far as I am concerned, by the Senator's own words. He said, in reply to the Senator from Washington [Mr. MAGNUSON], the following, among other things:

I oppose the amendment on two or three grounds. My first ground is that I do not think a matter which is so important as this one should be brought in at the last moment in connection with an agricultural bill without having been examined very closely and considered by the proper committee, which, in my opinion, would be the Finance Committee, dealing with our reciprocal trade agreements.

The Senator from Arkansas was absolutely correct in making that statement, in my opinion. I think his argument with respect to the amendment offered by the Senator from Washington applies equally to the pending amendment, because it is of tremendous importance not only to the consumers, but the sugar-beet growers, the cane growers, and all others who produce sugar in this country.

Mr. FULBRIGHT. Mr. President, I should like to point out that the Senate did not agree with my position, and very decidedly overruled it and adopted the

Magnuson amendment. I have been voted out of court on that position.

Speaking of the amendment now pending, it does not in any way change existing law. It directs the Secretary of Agriculture to perform an administrative act which he should have performed, in my opinion, at least 3 months ago. It would have no permanent effect upon the legislation, or his power. It merely says for him to do something which I think nearly every consumer believes he should have done long ago.

The president of the Sugar Refiners' Association was here last week apologizing for the way the law had been administered. He is very strong for the act, but he recognizes those administering it have been derelict in their duty in meeting the situation, particularly in recognizing the situation which developed in Hawaii due to the strike.

The remarks with reference to the Reciprocal Trade Act would not apply to the pending amendment. They might apply to the one which would repeal the act, which is a little more drastic than the first amendment.

During the delivery of Mr. FULBRIGHT'S speech,

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. FULBRIGHT. I yield.

Mr. THOMAS of Oklahoma. I ask unanimous consent that members of the Committee on Appropriations be excused from attendance on the session immediately, for a special meeting in the office of the majority leader [Mr. LUCAS].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and permission is granted.

Mr. LUCAS. Mr. President, I understand the argument of the Senator from Arkansas, but it still does not convince me that he is not slightly inconsistent in the position he took the other day before the Senate and the one he is now taking. There is nothing too unusual about Senators being inconsistent in matters at different times, and I do not particularly hold that against my able friend, the Senator from Arkansas, but he did make a very strong and impelling argument on the previous occasion, and it was due primarily to his argument that the Magnuson amendment was defeated by one or two votes. We were overpowered today, because many of our colleagues were absent, and it was too bad. Nevertheless, the argument the Senator made in the early part of the debate, which led to the defeat to the Magnuson amendment, still holds good. I congratulate him on the argument now, especially with respect to the importance of that amendment being considered by the Finance Committee.

The pending amendment is equally important, as I know from my experience in the committee meetings where sugar quotas and allotments have been under consideration. Whenever there is a sugar bill before the Committee on Finance, plenty of people in Washington come forward and tell exactly what should be done with respect to the allotments and the quotas, how they should be handled, the way they should be increased, and the like. I do not know

anything about how the Secretary of Agriculture has been administering the act; I have not followed it because my State is not in the sugar-producing territory, but perhaps some of the complaints the able Senator from Arkansas makes would justify the adoption of this amendment directing the Secretary's attention to the facts, and he may be able to correct the practice complained of. Certainly, however, under no circumstances should the Senate adopt this amendment on a farm bill so important as the one now before the Senate.

Mr. President, it is this kind of an amendment which is likely to defeat the farm bill. If Senators are truly interested in a farm bill, they had better stick to the text of the original farm bill as reported by the Senate committee, so that we can go to conference with amendments which are absolutely germane and really come within the jurisdiction of the Committee on Agriculture and Forestry. I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Arkansas [Mr. FULBRIGHT].

The amendment was rejected.

Mr. FULBRIGHT. Mr. President, I call up my second amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add at the end of the bill the following new section:

SEC. . The Sugar Act of 1948 is hereby repealed effective December 31, 1949.

Mr. FULBRIGHT. Mr. President, I do not intend to reiterate the arguments I have made. If it is impossible to get the Senate to instruct the Secretary of Agriculture to administer the law as it should be administered, and if he insists upon so administering it as to run the price of sugar up, apparently endlessly, because the price continues to move up, I think the act should be repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was rejected.

Mr. THYE. Mr. President, there is an amendment before the Senate which proposes price supports for beef, pork, poultry, eggs, and turkeys. My colleague, the junior Senator from Minnesota [Mr. HUMPHREY], also offered an amendment embodying practically the same commodities under a similar price-support program.

I honestly feel that this amendment is a sound and reasonable one, for supports on the basic commodities such as wheat, corn, cotton, rice, peanuts, and tobacco do not particularly benefit the diversified agricultural areas, and Minnesota is definitely a diversified agricultural State. There the dairy products, poultry and eggs, as well as pork, are predominant, and while we do receive some benefit from price-support legislation regarding wheat, and likewise corn, yet those are not large income-producing commodities in the State as are dairy products, eggs, and poultry, and unless poultry, eggs, turkeys, and pork—and I

would say we are definitely interested in beef—are supported by a support program, the diversified agricultural sections of the United States, which of course definitely include Minnesota, are not going to receive much benefit from price support.

Mr. President, the producers of eggs in the Northwest are in distress at the present time, and have been in distress all summer. The producers of dairy products last spring were in distress up until those of us representing the Midwest, and the diversified area of the agricultural belt of the Nation contacted the Secretary of Agriculture and insisted that the Commodity Credit Corporation make purchases of butter and powdered milk in order to support the dairy price in the areas where the farmers are dependent on either the manufacture of butter or the powdering of their skimmed milk as a marketable outlet. Up until the time the Commodity Credit Corporation made those purchases, the dairy prices were slipping month by month.

Mr. IVES. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I am happy to yield.

Mr. IVES. The Senator from New York would like to ask the distinguished Senator from Minnesota whether his term "poultry" includes ducks.

Mr. THYE. We may have to refer to the dictionary to make certain what the interpretation of that term would be by the Secretary of Agriculture.

Mr. IVES. If there be some question about it, would the distinguished Senator from Minnesota be willing to modify his amendment by the inclusion of the word "ducks"?

Mr. THYE. I should have no objection, and I could see no reason for objecting, if there is an area in the United States where ducks are grown to any great extent. I should say those who raise ducks would be in distress in the same manner as those who raise poultry.

Mr. IVES. That is correct. That is the reason the Senator from New York has an interest in this particular amendment, if it is going to be adopted. New York State happens to have quite a sizable duck industry.

Mr. THYE. From the standpoint of a producer who is engaged in the production of poultry—

The PRESIDING OFFICER. Does the Senator wish to have his amendment modified by the addition of the word "ducks"?

Mr. THYE. I have no objection, Mr. President, to the modification of my amendment so as to include the word "ducks." I modify it accordingly, with pleasure.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. THYE. Mr. President, the Anderson bill, which we are now considering, contains the following language on page 18 in section 408:

SEC. 408. For the purposes of this act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost

for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

In my humble opinion that language is not sufficiently clear. It is not specific and mandatory. I am not certain whether the Secretary would give price support to poultry, eggs, pork, and turkeys, as well as beef. It is for that reason that I and my colleague the junior Senator from Minnesota [Mr. HUMPHREY] have submitted the two amendments. My colleague's amendment is somewhat different from mine, but its purpose is the same, that is, a price support on the products I have mentioned. My amendment provides for price support from 75 percent to 90 percent. I cannot speak for my colleague's amendment, but I have a nod from him indicating that his amendment likewise carries a price support of from 75 to 90 percent.

Mr. President, in view of the fact that we are all concerned with conserving the fertile topsoil of our land, and in view of the fact that the dairy type of farm enterprise will conserve the soil, and is soil building, and that such an enterprise lends itself to a family type of farm unit, it is on such a farm the boy and the girl can assist with the chores in the morning and in the evening during the school year, and out of school in the summertime they can assist in the harvest fields and in the hay fields and in the preparation of feed necessary to carry the livestock through the winter months, it is important that everything possible be done to encourage such farming. Such a farm operation is a complete farm operation which lends itself to the development of a family type farm. For that reason we must protect it.

In the years past, while we have had a soil-conservation program, we have always given consideration to appropriations to make possible the carrying out of soil-conservation practices. But here we are considering a family type farm support program which lends itself to soil-building practices. For that reason we must protect the dairy, the poultry, the egg, the livestock type of farm management.

I also wish to call attention to the fact that in the years past, while cotton, tobacco, wheat, and rice were classified as basic, they were not so basic in our Minnesota farm economy as the nonbasic commodities which we find listed, as pork, beef, poultry, eggs, dairy products, as well as turkeys. It is for that reason that, in my humble opinion, the amendment before the Senate which will give price support to poultry, eggs, turkeys, pork, and beef, is absolutely sound and reasonable. I hope my amendment will be adopted.

The PRESIDING OFFICER. The Chair is advised that the Senator's amendment has not been sent to the desk. Does the Senator have a copy of his amendment?

Mr. THYE. The amendment was read into the RECORD last week. It must be on the desk, because I offered the amendment to the bill last week. If my amendment is not at the desk, I call attention to page—

The PRESIDING OFFICER. The Chair is advised that when the Senate recommitteed the bill and it was subsequently reported, it came to the Senate containing only the committee amendments.

Mr. THYE. Then, Mr. President, I offer an amendment calling for price support for beef, pork, poultry, eggs, and turkeys. I agreed, at the request of the Senator from New York [Mr. Ives], to include ducks in the amendment. All those products would have a price support, under my amendment, of from 75 to 90 percent. I know there is before the Senate a printed copy of the amendment submitted by my colleague the junior Senator from Minnesota, which contains some such language as I have just set forth. I am perfectly willing to concur with the junior Senator from Minnesota in his amendment if his amendment has embodied in it all the provisions my amendment calls for. I would say that the amendment should appear under what is designated as title II, section 201, and it should follow right along with the language found on page 11, in line 18 of the bill, which reads as follows:

Irish potatoes, milk, and butterfat as follows:

Following that particular language could be inserted the amendment I have proposed.

The PRESIDING OFFICER. The Chair is now glad to say that the clerk has located the amendment as it was offered last week, and the Chair will ask the clerk to read it.

Mr. THYE. I shall be glad to have the amendment stated as I proposed it.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 8—

Mr. THYE. Mr. President, as I said, the amendment offered last week would appear in a different place in the bill than the amendment I have now proposed to follow right after dairy products in the bill. It can be located properly in the bill.

The CHIEF CLERK. On page 4, line 8, after the word "potatoes", it is proposed to insert a comma and the words "hogs, eggs, turkeys, and other poultry."

On page 5, line 6, it is proposed to strike out the period and insert a semicolon.

On page 5, between lines 6 and 7, it is proposed to insert:

(d) The price of hogs, eggs, turkeys, and other poultry, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 percent nor less than 75 percent of the parity price therefor.

Mr. THYE. Mr. President, it will be found that I submitted such an amendment, and it appears in the CONGRESSIONAL RECORD of April 7 on page 14385. It is the same amendment, and it could go into the bill either as it was spelled out at that time or in an appropriate place in the bill, which would be following dairy products.

I know that from the standpoint of the entire agricultural economy of the United States, dairy products—and, of course, the bill specifically refers to

dairy products—poultry, eggs, turkeys, ducks, pork, and beef are major factors. In the event we permit our agricultural economy so far as it affects these particular commodities to go unprotected by price support, if the prices of those commodities drop to ruinous low levels, the entire agricultural economy will be affected. It is for that reason that I join my colleague [Mr. HUMPHREY] in offering an amendment providing for such price supports. I certainly hope that the price supports which we have asked for will be approved.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. AIKEN. Without committing myself to the support of the Senator's amendment, I suggest that it would also have to appear in paragraph (c) of section 201, as well as in the initial paragraph of section 201.

Mr. THYE. I certainly agree with the able Senator from Vermont. I appreciate the fact that he has called this to our attention. As I stated, the amendment should appear in the bill in the appropriate place.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. YOUNG. I did not catch the point in the bill where this amendment would apply. Would it be in the mandatory price bracket?

Mr. THYE. It comes under title II, under the following language:

The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers of wool, tung nuts, honey, Irish potatoes, milk, and butterfat.

We would have to follow butterfat with the other products which I have mentioned, namely, beef, pork, poultry, eggs, turkeys—and, if the Senator from New York [Mr. Ives] is successful in his amendment, ducks.

Mr. YOUNG. Would the Senator be willing to modify his amendment by adding oats, barley, rye, and flax?

Mr. THYE. I share the feeling of the junior Senator from North Dakota that a man who is producing barley, oats, or flax has just as much right to be recognized and given price support as the man who produces rice, peanuts, cotton, tobacco, or any other commodity. In the Northwest wheat is not a major in the agricultural economy. Corn is not a major in our agricultural economy in Minnesota. Livestock products are the major, so far as our agricultural economy is concerned. Therefore I could not and would not object to the Senator's proposal that barley, oats, and flax be included in the support from 75 to 90 percent. I know that the view was expressed in all the discussions in the committee that the Secretary should support barley, oats, and flax along with meats and dairy products.

Mr. YOUNG. Would the Senator include rye?

Mr. THYE. There are areas in the United States where the rye crop is the only safe crop that can be planted. The man who finds himself in such an area certainly must be protected. I think it is

the intent of all those who support agricultural programs that all the commodities which figure in the basic part of our agricultural program should be spelled out and supported. It does us no good in the Midwest to put wheat and corn under seal and thereby deny the dairy farmer the feed, at the same time permitting dairy products to go to ruinous low levels, or permitting poultry prices or turkey prices to go to ruinous levels. Our whole philosophy should be to increase our animal husbandry and thereby bring about farm practices which will conserve the fertility of the soil and build the soil, rather than the philosophy of putting a commodity into a bin and sealing it up, and then worrying about what we are going to do to dispose of it.

Mr. YOUNG. Do I correctly understand that the Senator accepts the modification of oats, barley, rye and flax?

Mr. THYE. I shall be glad to do so, with the concurrence of my colleague.

Mr. HUMPHREY. Mr. President, I concur.

The PRESIDING OFFICER. Has the Senator from Minnesota modified his amendment by the insertion of the four additional commodities suggested by the Senator from North Dakota?

Mr. THYE. With the concurrence of my colleague, I so modify the amendment.

Mr. HUMPHREY. Mr. President, joining with my colleague the senior Senator from Minnesota [Mr. THYE] in the consideration of this amendment, I wish to reiterate and reemphasize what he has so well expressed as his belief and my belief as to the philosophy behind the pending legislation.

As I gather it, the economic philosophy in support of the pending legislation is that, despite the fact that some commodities are not spelled out by name, there is the intent to have such commodities supported by the discretionary authority of the Secretary at such price levels as to make them economically profitable. There is line after line within the pending bill which tells the people of America that it is the intention of the Congress and of the administrative branch of the Government to provide a price-support floor for the agricultural economy. The so-called basic commodities do not cover all the basic commodities of our agricultural economy. As pointed out in debate the other day on the floor of the Senate, some of the so-called basic commodities do not rank among the top 10 commodities in their relationship to the total agricultural income. Therefore, since the philosophy of the bill is to place a minimum floor under the agricultural economy, certain other products ought to be included in the mandatory list.

I think it is quite clear that I did not concur in the program of flexible supports. However, this is to be the philosophy of the bill. We voted down the 90-percent support; and since we voted down the 90-percent support, it appears even more evident to me that these other products, which are related types of agricultural commodities, should be supported at the same percentage levels as the so-called basics.

Many a turkey producer must buy feed. If that feed is supported at 75 to 90 percent, and the commodity which he is producing—turkeys, chickens, or ducks—is not supported at 75 to 90 percent, he will find himself on the diminishing end of an agricultural economic picture. It makes good practical common sense that there should be the same proportionate relationship between the commodities which the farmer has to buy and the commodities which the farmer has to sell.

Mr. President, I should like to have inserted in the Record at this point some pertinent material with reference to the production of hogs, turkeys, eggs, and chickens in the year 1948. With due State on behalf of the State of Minnesota. I know my colleague concurs in this—we would like to make proper reference as to where Minnesota ranks in the production of these important agricultural commodities. I ask unanimous consent that the information to which I have referred be printed in the Record at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the Record, as follows:

1948 marketing production

Hogs:	Pounds
United States total.....	15,524,000,000
Iowa	3,750,000,000
Illinois	1,940,000,000
Indiana	1,415,000,000
Minnesota	1,142,000,000
Missouri	1,093,000,000
Turkeys:	
United States total.....	579,000,000
California.....	97,000,000
Minnesota	52,000,000
Texas	48,000,000
Iowa	37,000,000
Oregon	32,000,000
Missouri	24,000,000
Eggs:	Dozen
United States total.....	55,168,000,000
Iowa	4,339,000,000
Minnesota	3,885,000,000
Pennsylvania	3,096,000,000
Texas	2,774,000,000
Missouri	2,731,000,000
Illinois	2,712,000,000
Chickens:	Pounds
United States total.....	2,354,000,000
Iowa	170,000,000
Pennsylvania	137,000,000
Illinois	121,000,000
Missouri	118,000,000
Minnesota	116,000,000
Indiana	111,000,000

1946 and 1947, Minnesota was second.

Mr. HUMPHREY. Mr. President, I wish to say to the Senator from North Dakota [Mr. YOUNG] that grain products such as barley, rye, oats, and flax, are a part of the general picture of a farm which exemplifies what we call diversified production. From what little I know about it—and I do not pose as an expert—for many years the Department of Agriculture has been educating the farmers, at least in the Midwest, to what we call diversified farming. The American Farm Bureau Federation, the Grange, the National Farmers Union, and every other great agricultural organization has been telling the farmers that they ought not to be one-crop farmers. They have been urged to diversify, to raise chickens, turkeys, if possible, a

few cows, a few hogs, and a certain amount of feed grain, in addition to the cash crop. That has been the picture which has been developed in the agricultural belt of the Midwest. This type of agricultural development has saved the Government of the United States a great deal of money. As my colleague has stated, that kind of agricultural development has protected the soil. At the same time it has given a diversified agricultural economy a chance to survive, in order that there may be a cash crop for the farmer as well as the crops which he needs for feed. I think our amendment will do more to stabilize American agriculture than will be done by any other amendment which has been proposed to this bill on the floor of the Senate. This amendment will tend to lead toward the family-size farm. It is the kind of amendment which will give a reasonable amount of stability and security.

Mr. President, let me say that I should like to have a greater amount of parity provided for these commodities. I still do not think 75 percent of parity is sufficient. I wish the amendment provided for 90 percent of parity, because 90 percent of parity is not too high. But I recognize the facts of the situation before us. In view of the fact that we have made up our mind that the so-called basics will be supported at from 75 percent to 90 percent of parity, so far as the Senate version of the bill is concerned, I see no reason why we should not spell out the other commodities to be supported, and thereby save the Secretary of Agriculture the problem of deciding whether it was the intent of Congress that they be supported. I do not wish to leave in the Secretary of Agriculture the amount of authority that is provided by the bill, without spelling out what the nonbasics to be supported will be, because according to my memory the nonbasics will be supported only if there is sufficient appropriation to provide for supporting them. However, if we definitely include them in the bill, with a provision of mandatory authority for mandatory price supports for them, then it will be the obligation of the Congress to provide appropriations to support them. Certainly I do not think the turkey farmer, the duck producer, the farmer who raises oats or barley or rye or flax, or the pork producer or the producer of eggs should be left with uncertainty as to whether the commodity he produces will be given supports. These commodities should be supported and no doubt should be permitted.

I point with reasonable pride to the leadership the senior Senator from Minnesota [Mr. THYE] has given in this respect, and I join him in sponsoring the amendment. I urge favorable action and ask that the Senate conferees seek to incorporate our amendment in the final agricultural bill accepted by House and Senate.

Mr. ANDERSON. Mr. President, of course, this amendment is what many persons thought would result from much of the discussion we had the other day. I do not regret that this matter has come out here in the form of a specific amendment.

I wish to say in the beginning that the term "basics" is a bad term. There are many persons who recognize that the commodities listed as "basics" are not truly basics. But once having started with that terminology, as the list of agricultural products was increased, the term "basics" continued to be applied to the commodities which it was desired to have subject to controls. If Senators will cross out that term, and will use the term "controllable products," that will be an improvement, because they are the products whose prices we have for a long time been supporting.

However, we shall have a great deal of difficulty if we embark upon a program of supporting the prices of beef, hogs, poultry, eggs, turkeys, barley, oats, flax, and rye. I do not know why hogs was omitted. I am much more interested in hogs than I am in flax. [Laughter.]

Nevertheless, Mr. President, I submit that all we have to do is call upon groups of cattlemen or various cattlemen's associations in the various States and ask them whether they want price supports provided for beef. As a matter of fact, they have fought price supports harder than has any other single group in the United States, so far as I know. There has never been a time when the cattle raisers' associations have not had their representatives appear before the committees of Congress and say, "We do not want a support price on beef." They have refused it round after round after round.

I say to the Senate that I would be unwilling to attempt to shove down the throat of the American cattlemen the suggestion of a support price of 75 percent of parity for beef.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. ANDERSON. I yield.

Mr. LUCAS. In line with what the distinguished Senator has said, I call the attention of the Senate to a meeting held before the Committee on Agriculture and Forestry during the war, when beef was under control by the Office of Price Administration. Cattlemen from all over the country came before the committee and demanded that the Office of Price Administration remove controls from that one commodity, and that one alone. So if they did not want beef to be controlled during wartime, certainly they would not be very anxious to have it controlled now.

Mr. ANDERSON. Of course, they would not. No doubt the distinguished senior Senator from Texas [Mr. CONNALLY] can remember that the Texas and Southwestern Cattle Association, with Judge Montague as its spokesman, has time after time appeared before congressional groups and has protested.

I was trying to think of a very distinguished gentleman from the home State of the distinguished junior Senator from Nebraska [Mr. WHERRY], a former member of the agricultural committee of the United States Chamber of Commerce.

Mr. WHERRY. Mr. Chris Abbott.

Mr. ANDERSON. Yes; Chris Abbott, from Hyannis, Nebr. All we have to do is call in such men, and they will tell us

what the cattle industry thinks about supports for beef.

So I do not think it is a good idea to start talking about price supports for beef, when the cattlemen wish to have beef left outside of price supports.

As to the question of supports for pork, there may be some persons who are interested in having supports provided for pork. We had hearings before the Senate Committee on Agriculture and Forestry. I believe it will be recalled that, for round after round, the representatives of the largest pork producers in the State of Iowa, and certainly those representing production in the entire United States, announced that they did not want to have supports placed upon pork.

The question of supports for eggs certainly has been discussed considerably during the past few months. The distinguished Senator from Nevada said a moment ago that I had talked about dried eggs. I had; the Senator quoted me entirely correctly. But I was quoting from a telegram which was sent by a large importer, who said:

We offer you 46,000 pounds Chinese yolk for September-October delivery, \$1.25 a pound, ex-dock New York. Chinese dried whole eggs, \$1.10 a pound, New York. There is one car American dried whole eggs that would cost us \$1.35 f. o. b. western Nebraska.

Mr. President, what was the trouble with the American egg industry? We bought approximately 74,000,000 pounds of dried egg powder, but we had no place to store it. Why did we do that? Because we were committed, a year ago, to a program of supporting eggs at 90 percent of parity; and the Department of Agriculture, not having storage facilities for all the eggs which were being offered to them, had to run those eggs through the dryers, and to store tremendous quantities of dried eggs.

I do not believe Senators will help the agricultural program if they provide that 60 million or 70 million pounds of dried eggs shall be placed in cold storage at \$1.27 a pound, for if that is done, the opportunity for legitimate American industries to acquire their supplies of eggs in the normal fashion will be destroyed.

Let me illustrate that point by referring to the noodle industry. I never thought the noodle industry was a very large business; but when we remember the size of the soup business, we realize that it employs a great many persons. The firms in that business universally go to the western areas and buy broken eggs at a certain price per dozen. However, they were not able to do so during the past few years, because the Government was buying the eggs away from them. The people in that industry have been hard put to find a place to get their supplies.

The reason I had possession of those telegrams was that the noodle manufacturers with whom I had had dealings in some prior years, came to me and pleaded that I try to break loose some of the stock of dried eggs which the United States Government has on hand, in order that they might get their normal supplies of that product.

I do not wish to detain the Senate; but in view of the circumstances I have narrated I hope the Senate will not vote for the amendment relating to eggs.

Mr. IVES. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. IVES. Question arose as to whether the Senator would agree to have ducks included under the amendment of the Senator from Minnesota. I raised this question because of the fact that the term "poultry" appears in the bill itself. If the term "poultry" is proposed to include ducks, then there would seem to be no need to have the term "ducks" included in the amendment or anywhere else in the bill.

I should like to inquire of the able Senator from New Mexico whether he considers the term "poultry" to embrace ducks.

Mr. ANDERSON. Yes, I say to the distinguished Senator from New York that I do consider the term "poultry" to include ducks, and also includes geese, pigeons, and pheasants. I wish to congratulate the Senator from Minnesota upon including pheasants, because they are very popular in the State which is a neighbor of his State, and also in his State.

I think it would be much better to include chickens only or turkeys only, but I am well satisfied to have the term "poultry" include all poultry. The difficulty is exemplified by the inclusion of chickens and of eggs.

Mr. President, the reason we have been able to include other agricultural commodities is that we say they are controllable. We can say quite easily how much tobacco a man shall plant or how much rice a farmer shall plant or how much cotton a farmer shall plant. But, somehow, when we try to tell the chickens how many eggs they will be permitted to lay, they very frequently misunderstand the instructions. [Laughter.] We have all sorts of trouble with poultry as a result of that.

I do not wish to detain the Senate longer at this late hour. I merely assure Senators I think it is an amendment we can afford to vote down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Minnesota [Mr. THYE] on behalf of himself and his colleague the junior Senator from Minnesota [Mr. HUMPHREY].

The amendment was rejected.

Mr. MURRAY obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield for a moment?

Mr. MURRAY. I yield.

Mr. LUCAS. May I inquire whether there remain any other amendments to the bill to be offered?

Mr. WHERRY. Yes.

Mr. TAFT. I intend to offer an amendment.

The PRESIDING OFFICER. The Senator from Ohio has an amendment. Are there other amendments?

Mr. THYE. Mr. President, if the Senator will yield, I was just informed the majority leader had inquired whether there were any additional amendments.

I may say I was asked whether I would call the Senate's attention to the amendment proposed by the Senator from Nebraska [Mr. BUTLER], relative to section 412 of the act. The amendment is on the table, and I ask to have it stated, in order that the amendment may be taken up at this time.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. MURRAY. I yield.

Mr. LUCAS. My only reason for making the inquiry was to determine whether we might expect to finish the bill tonight. It is my understanding that the Senator from Montana desires to speak upon a subject entirely different from the farm bill. May I inquire how long our able friend will speak?

Mr. MURRAY. I shall endeavor to take not longer than 15 or 20 minutes.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. MURRAY. I yield.

Mr. THYE. I ask unanimous consent that a statement prepared by the Senator from Nebraska [Mr. BUTLER], in explanation of the amendment, may appear in the RECORD immediately following the stating of the amendment, so that the Senate may have the information respecting the Senator's views on it.

Mr. LUCAS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The statement appears in the RECORD following the reading of the amendment.)

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. WHERRY. My understanding is that the majority leader is attempting to ascertain how many more amendments are yet to be offered, in order to be able to estimate the length of the session. I may say to the distinguished majority leader, the Senator from Delaware [Mr. WILLIAMS] has one amendment at least, possibly two. The Senator from Ohio has an amendment. I am wondering whether the Senator from Oklahoma has an amendment he intends to offer.

Mr. THOMAS of Oklahoma. I have an amendment.

Mr. WHERRY. I think that will give the majority leader an idea of the number of amendments yet to be offered.

Mr. LUCAS. I hope we may finish the bill tonight. If the distinguished Senator from Montana takes but 20 or 25 minutes, it is possible we could finish by 7 o'clock. If possible, I should like to do that, but if not, we shall recess until noon tomorrow, since I have told everyone there would not be a night session.

Mr. WHERRY. Mr. President, if the Senator will yield further, is it the announcement that the Senate will continue in session until 7, and if consideration of the bill is not concluded by that time, we shall recess until noon tomorrow?

Mr. LUCAS. That is correct.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. THYE. May we have action on the amendment of the Senator from Ne-

braska [Mr. BUTLER] at this particular time? A number of Senators are present.

The PRESIDING OFFICER. Does the Senator from Montana yield for that purpose?

Mr. MURRAY. I yielded for the purpose of having the amendment stated.

Mr. THYE. I thank the senior Senator from Montana for so courteously yielding.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska [Mr. BUTLER] will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 412 relating to an Assistant Secretary of Agriculture in charge of sales operations, and insert as section 412 the following:

In the disposal of commodities, acquired through loans, purchases, and otherwise, the Secretary of Agriculture shall employ usual and customary channels of trade.

EXPLANATION BY SENATOR BUTLER OF AMENDMENT TO THE FARM BILL, H. R. 5345

The Butler amendment, proposed October 7, provides two principal things:

It would knock out section 412 of the Anderson bill providing for a new Assistant Secretary of Agriculture in charge of sales operations.

It would require the Commodity Credit Corporation to employ usual and customary channels of trade in disposing of agricultural surpluses it has acquired.

This amendment is essential to prevent the Commodity Credit Corporation from invading still further the field of private and cooperative enterprise in the marketing of agricultural surpluses. During recent years, the Commodity Credit Corporation has been entering bit by bit into some of the fields that have always heretofore been properly handled by private marketing agencies. Both the cooperatives and private businesses have been becoming more and more alarmed at this steady invasion of their fields. They feel that if the trend is continued, ultimately the whole marketing function will be taken over by the Government and become nationalized.

The provision contained in section 412 of this bill for a new Assistant Secretary of Agriculture in charge of sales appears to be a further step in that direction. The language of section 412 is drawn in rather general terms. While it does not specifically grant very much new authority to the Department of Agriculture, it will probably be interpreted as a general license to the Department to continue to take over more and more of these marketing functions. It seems essential to write into the bill clear-cut language so as to make the intent of Congress very definite.

I invite the attention of the Senate to the insertion made by Senator BUTLER in the CONGRESSIONAL RECORD of October 4, beginning on page 14100. These insertions show that the cooperatives particularly are very much concerned about this situation.

Mr. THYE. Mr. President, I have had a great many inquiries concerning this particular subject.

Mr. MURRAY. Mr. President, I understood I had yielded only for the purpose of having the amendment stated.

The PRESIDING OFFICER. The Chair so understood the Senator from Montana.

Mr. ANDERSON. Mr. President, will the Senator yield for a moment?

Mr. MURRAY. I yield.

Mr. ANDERSON. There has been much discussion of this amendment. I should like to take time to discuss it, and I am sure there are other Senators

who would like to discuss it. But I am willing to submit it now, to a division vote, and, whatever happens, take it to conference.

Mr. President, will the Senator from Montana yield, so we may have a division vote, if no one asks for the yeas and nays?

Mr. THYE. Mr. President, I would defer any further discussion of the proposed amendment.

The PRESIDING OFFICER. The Chair understands the Senator from Montana has yielded so a vote may be taken on the amendment in line with the suggestion of the Senator from New Mexico.

Mr. DONNELL. Mr. President, some of us would like to hear something more about the amendment before we vote on it.

Mr. AIKEN. I think that is a good idea.

Mr. DONNELL. What is the purpose of the amendment?

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is not the pending question that of agreeing to the amendment called up by the distinguished Senator from Minnesota, on behalf of the senior Senator from Nebraska [Mr. BUTLER]?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. The distinguished Senator from Montana has the floor. I appreciate the effort which is being made to expedite consideration of the amendment, but I submit the orderly thing to do is to permit the Senator from Montana to speak, and to take up the amendment immediately after the Senator concludes, when the amendment becomes the pending question, so all Senators may understand what the amendment is.

Mr. ANDERSON. I withdraw my request.

The PRESIDING OFFICER. The request of the Senator from New Mexico is withdrawn. The Senator from Montana may proceed.

NOMINATION OF LELAND OLDS

Mr. MURRAY. Mr. President, in view of the fact that I expect to be absent from the Senate for the next few days, I should like to call the attention of Senators to a matter of grave public interest and concern.

Mr. President, a legal execution has been arranged to take place in this Chamber in a few days when the President's appointment of Leland Olds to a third term on the Federal Power Commission is to come before us for confirmation or rejection. It is being said in the lobbies, in the press, and on the air waves that the vote against confirmation is virtually a sure thing. This I refuse to believe. Leland Olds' official life is not going to be ended now.

It is to enlist other Members of the Senate and the American people in an examination of the vast interests at stake in the life or death of Leland Olds as a Federal Power Commissioner, in advance of the opening of debate and while there

is yet time for examination of the facts and evidence, that I take the floor at this time.

Leland Olds, the man and the public official, has been pushed around, slandered, and vilified long enough. It is time for those of us who know that he is not a Communist, that he is not an enemy of private enterprise, that he is not a traitor, or any other of the cheap and disgraceful things that were thrown at him in hearings, to fight back; it is time to point out that he is an intelligent, far-seeing, statesmanlike, courageous, and incorruptible public servant, that he is loyal, deeply religious in his own faith, and that he deserves well of the Republic which he has served with devotion, international distinction, and success for the past 10 years.

I do not propose to engage the Senate in debate at this time on the merits and demerits of the Olds reappointment to a third term. I am resolved to lay before the Senate and the American people some food for thought, for searching of conscience, and for closer examination of every man's and woman's individual and common interest in the Olds re-nomination.

Mr. President, this fight which at the moment is centered on the reappointment or rejection of Leland Olds is only beginning. The basic issue will not be settled until it is settled and settled right, that is, in the people's interest. Nor will Leland Olds be counted out as a leader and symbol in this fight. I believe, whatever the polls today may be, that, when the Senate and the American people fully appreciate the issue and the magnitude and importance of the stake, our historic policy will be reaffirmed and Leland Olds will be put back to work as a member of the Federal Power Commission.

What is the issue?

President Truman, in his October 3, 1949, letter to the senior Senator from Colorado, has stated it well. He said:

We cannot allow great corporations to dominate the commissions which have been created to regulate them.

In other words, who runs this country? The people, through their constitutionally elected and appointed representatives and officials, or monopolistic corporations which, when unable to get their way by legislation and through the courts, seek to achieve it by terrorization of the officials charged with the duty of administering laws enacted and interpreted in conformity with our Constitution?

Today I do not want to take the time of the Senate to discuss all the pros and cons of the confirmation of the nomination of Leland Olds. I do think it proper, and very much in the public interest, and in the national interest in terms of the commerce, welfare, and national security clauses of the Constitution, to lay before the Members of the Senate and the American people some indication, some inkling, of the size and scope, and the vital interest of every American in the debate on the Olds appointment which, I understand, is scheduled shortly to ensue.

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 11 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, viz: On page 23, after line 4, insert the following:

- 1 SEC. . Section 344 (f) (3) of the Agricultural Ad-
- 2 justment Act of 1938, as amended by Public Law 272,
- 3 Eighty-first Congress, is amended (i) by striking the figure
- 4 "10" in the first sentence and inserting therefor the figure
- 5 "15", and (ii) by striking the figure "30" in the proviso
- 6 and inserting therefor the figure "20".

81ST CONGRESS
1ST SESSION

H. R. 5345

AMENDMENT

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OCTOBER 11 (legislative day, SEPTEMBER 3), 1949

Ordered to lie on the table and to be printed

REMARKS OF COL. JOSEPH K. CARSON, JR., COMMISSIONER, UNITED STATES MARITIME COMMISSION, AT THE SUN SEAMEN'S MEMORIAL DEDICATION, MARCUS HOOK, PA., OCTOBER 8, 1949

The monument which is to be dedicated today is the only one of its kind erected to the memory of the merchant seamen of World War II. The United States Maritime Commission, which I have the honor to represent here today, is intimately acquainted with the heroic service rendered our country by the merchant sailors, especially those men who served aboard tankers. Certainly it is a well-deserved and fitting tribute to the brave officers and seamen who lost their lives while serving aboard Sun Oil Co. tankers.

We of the Commission know full well that had it not been for the fortitude, bravery, and patriotism of those living and dead who manned the tanker vessels, World War II would probably have been lost and civilization plunged into an era of darkness and despair. Hence it is altogether proper that a member of the Commission be here today to pay deserved tribute to those whose sacrifice has made it possible for those of us who remain to continue to enjoy the blessings of peace and freedom.

It is indeed a personal privilege to take part in the dedicatory ceremony and to express to this gathering the high esteem in which the tankermen are held by the Commission officially and by every man and woman connected with it. We regarded them in a very real sense as a part of our fighting forces. There was one difference however. They waged their part of the fight with insufficient and inadequate arms. When we realize that during World War II a total of 5,638 merchantmen were listed among the dead or missing and 581 were made prisoners of war we need no further proof that they, too, fought with the same determination and valor as did those in the air, in the tanks, and on the land. It is our best estimate that more than one-fourth of the merchantmen lost during the war were those who rode the tankers. Over 40,000 men went to sea on tankers. About 4 percent of them lost their lives.

In my view, our merchant seamen were not simply an auxiliary of our air, naval, and ground forces—they were in reality a concomitant of each component. They were the indispensable link and lifeline between our men in the uniformed services and the production forces at home.

When asked to participate in this ceremony I sought to refresh my own memory with a bit of research, a quick look at the record. And as I reviewed the course of events I felt a thrill of pride in rediscovering the crucial contribution of our tankermen.

I commenced my search with the full realization that the petroleum, carried across the seven seas, was at least one indispensable wartime cargo without which our fighting forces would have been doomed to early defeat and extermination. The extent of military success depended entirely upon the availability of oil—all kinds of it. What does the record reveal?

When we entered the war we had only 370 tankers with an aggregate deadweight tonnage of 4,200,000. As of midyear 1945 there were 866 with a total deadweight of over 12,000,000. Between 1939 and 1946 we lost 128 United States-flag tankers with a deadweight tonnage of 1,600,000. During the war 864 tankers were constructed, many of which went to the armed forces direct, and the losses to which I shall hereinafter refer were sustained by those operated only under the War Shipping Administration, manned with civilian crews. Without the successful construction program which fortunately we were able to accomplish, the outcome of World

War II might have been entirely different. Close by at Chester, a great part of that construction program was completed.

Now as to some of the accomplishments of the tankermen: Exclusive of the petroleum products carried by the Army and Navy for the use of those services, there was carried in merchant tankers almost 60,000,000 tons. To move this amount of gasoline and oil required more than 4,000 voyages. Naturally the tanker was the merchant vessel which the enemy wished most to destroy. These 4,000 voyages meant 4,000 opportunities for enemy submarines, surface craft, and airplanes to make the tankers and their crews a target. Yet the tankers continued to deliver their precious cargo.

When we entered World War II there were about 55,000 men in our active merchant marine. This number soon proved to be too few, resulting in ship delays at the outset of the war. But this situation was soon remedied. By the end of 1943 over 100,000 experienced seamen voluntarily and many at great personal sacrifice returned to the sea when the need for their services became evident.

As we have observed before, the destruction of the tank vessel was a primary goal of the enemy. Our tanker crews knew this and knew it well. The fact that our seamen flocked to the tankers and signed on to meet the deficiency during the early period of the war is all the more remarkable when we think of the dark days of 1942 when losses of tanker tonnage were so great that it amounted to 62 percent of all the tank vessels lost during the World War II. When we consider all this and the further facts that the turn-over rate during the war dropped to one-fourth of what it had been in prewar years, and that not one strike occurred in the maritime industry during the war, we have all the more reason to be proud of those whom we honor today. I am now serving as a member of the Maritime War Emergency Board and I can tell you that the statement of principles to which the maritime unions subscribed is eloquent proof of the determination of our merchant sailors to defeat the enemy.

The discharge of our mission here today would be incomplete were we not to take cognizance of the splendid contribution made to victory by the Sun Oil Co. and its allied interests. The great organization of which this company is the parent did an outstanding job right here in this immediate community and has left a record of performance seldom equalled and to the best of my information never exceeded in its line of endeavor. Mr. Pew, we of the Commission know you have performed every function in getting petroleum to our fighting men from the laying of the tanker keels to the discharge of the cargoes on a foreign shore. The Nation is in your debt for this achievement.

To me the dedication of this monument has a special significance—a real personal one. As I take part in this ceremony I am reassured that America will not forget the debt of gratitude owed to our valiant men who sailed the perilous seas. You see, I was overseas in World Wars I and II. I went over when war was in progress. I came back when it was over. The last time I went to the European theater of operations, on the *Queen Mary*. As we sailed each hour was filled with apprehension. Would a submarine or enemy airplane attack? Fortunately, neither did. You can be sure that when we sighted the coastline of northern Ireland, we felt that real danger was past. But what of the fellow whose job it was to turn around and traverse the sea lanes again? When did that sense of relief come to him?

It was during that voyage on the great *Queen Mary* that I said to myself, "After all, am I not one of the fortunate ones?" I

resolved then and there that if afforded the opportunity I would embrace that occasion to speak from my heart a word of personal gratitude to the brave men who, in those grim months from Pearl Harbor to victory, carried on to make victory certain.

And I also resolved on that voyage not only to remember the sacrifices of our merchant seamen. I thought of their loved ones and of the sleepless nights of mothers, wives, and children. For reasons of security little information could go to the homes of our sailormen. I knew then that for those mothers, wives, and children there were to be no badges of honor, no citations for heroism, no victory parades, but rather the pall of dreary hours and mental anguish. To them I also wish to pay my deepest respect.

The memory of the dead and missing who were employed by the Sun Oil Co. must ever abide with us. There is no saga or epic which in the annals of man exceeds in valor or patriotism the deeds of the brave who risk their lives in challenging oppression. They die yet they live. The debt we owe our merchant seamen will not be fully realized until the history of their achievements is completely recorded. They were bombed, machine-gunned, and torpedoed. They knew the fate that would befall all of us if they failed to deliver the guns, the tanks, planes, fuel, and food by the millions of tons.

It is not given to man the gift of prophesy which enables him clearly to see all that the future shall hold but I profess now to envisage a future in which our countrymen of a later day shall have fully assessed and appropriately enshrined in the hearts of a free people the heroism and stout hearts of men to whom a call to duty was an ever welcome opportunity.

It is with a deep sense of gratification that I am permitted to be here today humbly to pay a full meed of respect.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE] on behalf of the Senator from Nebraska [Mr. BUTLER].

Mr. DONNELL. Mr. President, I should like to ask the Senator from New Mexico a question.

The so-called Butler amendment, the one to which the distinguished Vice President has just referred, proposes to strike out section 412 of the bill and insert one sentence, as follows:

In the disposal of commodities, acquired through loans, purchases, and otherwise, the Secretary of Agriculture shall employ usual and customary channels of trade.

Section 412, to which reference is made in the pending amendment, requires the President to appoint, by and with the advice and consent of the Senate, one additional Assistant Secretary of Agriculture, with various duties relating to programs for developing marketing outlets, and so forth.

The thought I have in mind, and on which I would personally be very happy to hear the Senator from New Mexico express himself, in this: As I understand, under the Commodity Credit Corporation charter law, namely Public Law 806 of the Eightieth Congress, the Com-

modity Credit Corporation has authority to "remove and dispose of or aid in the removal or disposition of surplus agricultural commodities."

I am quoting from section 5 of Public Law 806, to which I have referred. It therefore seems unnecessary, as I read the provisions of section 412 of the pending bill, and as I read the so-called Butler amendment, that there be any further provision of any kind in regard to the disposition of commodities. Therefore it is my purpose, at the appropriate time, to move to strike out the entire section 412 of the pending bill, House bill 5345, and likewise to oppose the adoption of the amendment proposed in behalf of the Senator from Nebraska [Mr. BUTLER]. I ask the Senator from New Mexico if he would concur in such action.

Mr. ANDERSON. Mr. President, in reply to the Senator from Missouri I will say that last night we had a sort of agreement to dispose quickly of several amendments. This is one which I think we ought to dispose of quickly. We have been debating the bill for 5 days, and I do not think a vote is going to be changed.

As to the amendment offered on behalf of the Senator from Nebraska, I think it is completely out of line. I regret that the Senator from Nebraska is not present. The amendment provides, as the Senator from Missouri has so well pointed out, that the Secretary of Agriculture shall do certain things, whereas the Commodity Credit Corporation charter says that the Commodity Credit Corporation should do those things. I should like to avoid the confusion which would result from the adoption of the amendment of the Senator from Nebraska. I am sure that he would not desire to bring about such confusion if that point were called to his attention.

I think the Senate should quickly dispose of the amendment of the Senator from Nebraska. I hope it will be voted down. Then if the Senator from Missouri wishes to move to strike out section 412, I hope he will submit that question and let us vote upon it.

The Senator from New York [Mr. Ives] has called my attention to the fact that cooperatives in his State have some rather strong feelings on that question. Personally I do not think we have room for fear. They are the most sincere friends of agriculture we have. Therefore let us submit this question, dispose of it, and move on to the amendment of the Senator from Delaware [Mr. WILLIAMS] and dispose of it. I know that he will take only a few minutes. I hope we can dispose of these amendments and permit the distinguished senior Senator from Oklahoma [Mr. THOMAS] to make an address which he wishes to make.

Senators are trying to get away. The Senator from Oklahoma wishes to make his contribution to the discussion of this bill.⁷ I think we should dispose of these amendments very quickly. Therefore I hope the Chair will put the question on the amendment offered in behalf of the Senator from Nebraska. I hope it may be rejected. Then if the Senator from Missouri wishes to move to strike section

412, there will be no discussion from this side so far as I am concerned.

Mr. DONNELL. Mr. President, I am entirely willing to follow the suggestion of the distinguished Senator from New Mexico. I shall make no further remarks in regard to the Butler amendment, but if that shall be voted down I shall make a motion to strike section 412 of the pending bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE] on behalf of the Senator from Nebraska [Mr. BUTLER].

Mr. AIKEN. Mr. President, referring to section 412 of the pending measure, let me say I am in full accord with the remarks of the senior Senator from Missouri. I think they were directly to the point and were very timely.

The adoption of either the Butler substitute or the present wording of section 412 could lead only to confusion in the matter of disposing of farm commodities acquired by the Commodity Credit Corporation. This matter is fully covered in the Commodity Credit Corporation Charter Act. That agency is charged with the disposal of the commodities which it acquires. It would only make things much worse if the Commodity Credit Corporation were charged with acquiring surplus commodities, and then the Secretary of Agriculture were charged with the disposal of them. I hope the amendment offered by the Senator from Nebraska, although it undoubtedly would be a good amendment if provision were not already made elsewhere in the law to accomplish the purpose the Senator from Nebraska evidently has in mind will be rejected, and that then section 412 itself will be stricken from the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE] for the Senator from Nebraska [Mr. BUTLER].

The amendment was rejected.

Mr. DONNELL. Mr. President, I move that section 412 of the bill be stricken from it.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer the amendment which I now have at the desk, and which has been printed.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, at the end of line 5, it is proposed to strike out the period, insert a colon and the following: "Provided, That the Secretary of Agriculture is authorized within his discretion to make available, under rules and regulations to be made and announced, any of such surplus commodities to the Cooperative for American Remittances to Europe, Inc. (CARE), for relief in Europe and Asia: And provided further, That upon application of the Munitions Board or any other Federal agency for any part of the accumulated supplies on hand at any time for use in making payment for commodities

not produced in the United States, the Secretary of Agriculture may approve such application or applications and thereafter make such commodities available on such terms, rules, and regulations as may be deemed in the public interest."

Mr. THOMAS of Oklahoma. Mr. President, I wish to take only a few moments to explain the amendment.

Under the price-support program, the Department of Agriculture has accumulated a vast amount of food supplies. For example, it now has on hand more than 10,000,000 pounds of butter, which cost the taxpayers in excess of \$6,000,000. It now has on hand over 127,000,000 pounds of dried milk, which cost the taxpayers more than \$16,000,000. It now has on hand 24,000,000 pounds of dried prunes, which cost the taxpayers more than \$2,000,000. It now has on hand more than 11,000,000 pounds of raisins, costing more than \$1,000,000. It now has on hand more than 500,000,000 pounds of edible beans, costing more than \$42,000,000. It now has on hand more than 65,000,000 pounds of dried eggs, which cost in excess of \$87,000,000.

Mr. President, under the present program not very much of the accumulated products are being disposed of. They are being held in refrigerated containers at different points throughout the country; and unless they are disposed of, sooner or later they will spoil and will be a total loss, not only to the Government but to the people who would like to have these supplies for use.

In the event we cannot dispose of these products to some good purpose, it seems to me we should give them away in order that they may serve a good purpose, which, obviously, is possible. For example, there are throughout the country many Indians, located in more than 20 States. Some of the Indians are not in very good economic condition. Some of them have scarcely any place in which to live, and have very little to eat.

So my amendment provides that these supplies shall be made available to the Indian Bureau for distribution in such manner as the Bureau may see fit. The Indian Bureau has a limited amount of money with which to take care of needy Indians, and that money can be used to pay express and freight charges, if necessary, in transporting the supplies from their present location to the several Indian reservations. That is one use which possibly can be made of some of these supplies.

A second use, which an amendment already in the bill provides, is to have these commodities used for school-lunch programs.

Another use of the supplies is for distribution to State and local welfare organizations. Of course, such welfare organizations have certain funds which they use for the purchase of food supplies, and they could use some of that money to pay express and freight charges on the shipment of these supplies from the places where they are now located to the points where they can be consumed.

To the provisions already in the bill as it is now before the Senate, I propose

to add two further amendments. I should like now to call attention to those two possible added sources of outlet for these supplies. The bill as it now stands will make the supplies available to Indians throughout the country and to school-lunch programs, and to State and local welfare organizations.

The amendment I offer broadens the outlet, as follows: There is at present an organization known as American Remittances to Europe, Inc. The nickname for which is "CARE." That is an organization, wholly charitable, which secures supplies and makes them available to needy people in certain European and Asiatic countries. Under the amendment, if agreed to, these supplies will be made available to this international organization, which is distributing goods abroad, not altogether on a charitable basis, but on a humane basis as well.

The amendment provides, in the second place, that the Munitions Board, which now is searching the world for strategic and critical military supplies, may use any of these accumulated goods on a barter basis to secure the things we need from countries that need the materials we have on hand but do not have dollars with which to purchase such supplies. In other words, some countries do not have money with which to buy from this country things they need, but they have certain critical and strategic materials. The amendment simply gives authority to the Munitions Board, if it sees fit, to make a barter or trade, and to use the surplus supplies to pay for the things thus acquired. I may say the Munitions Board has already accumulated a vast quantity of supplies of various kinds. We have appropriated to that organization already during this Congress about \$835,000,000, and the Board has selected 69 commodities which it contends are in critical and strategic need, so far as our country is concerned. Of the total of 69 commodities wanted, the Board has already accumulated from a 1-year to a 20-year supply of 49 of the commodities. So there are 20 commodities left which they are trying to secure. As I have said, there has been appropriated by the Congress for their use some \$835,000,000.

At this point let me say one item is in disagreement in connection with the national military bill. The Senate ordered a rescission of \$275,000,000 of the \$835,000,000 already appropriated and authorized by the Congress. The Senate, I say, ordered the rescission; it is in the Senate bill, but the House refused to accept the amendment, so sometime today, no doubt, a decision will be reached with respect to whether the Board will be able to use the \$275,000,000 the Senate has ordered rescinded. If the Senate has to yield, then the Munitions Board will have the entire \$835,000,000 appropriated by the Congress with which to acquire the remaining materials which are required.

But, Mr. President, the vote comes now, if the Senate is ready, on the broadening of my amendment to cover, first, CARE, and then, second, the provision making it possible for the Munitions Board to consummate barter or trades, if desired.

I submit the amendment to a vote.

The VICE PRESIDENT. The Senator has the right to modify his own amendment without unanimous consent.

Mr. THOMAS of Oklahoma. Then, if that is the ruling of the Chair, I modify my amendment and ask for a vote on the amendment as modified. The first part of my amendment, though, Mr. President, is already incorporated in the bill, and I am of the opinion I must do this from the floor.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KNOWLAND. As I understand the parliamentary situation, the amendment to which the Senator has already referred is in the bill as one of the committee amendments. So I raise the issue whether under the circumstances the Senator can modify his amendment, since it is no longer his amendment but is a committee amendment, reported by the committee.

The VICE PRESIDENT. The Chair is of opinion that a Senator who offers an amendment may modify the amendment, even though it includes things already in the bill.

Mr. THOMAS of Oklahoma. Mr. President, the same effect will be accomplished if we vote on the pending amendment. If it is agreed to, it then becomes a part of the section in the bill which was originally presented by me to the committee.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. KNOWLAND. I think it is important to straighten out this matter. As I understand the situation, the Senator from Oklahoma is not modifying the amendment which is the pending question, but rather his amendment, in effect, modifies an amendment which is in the bill and which was reported from the committee. I have never understood that a single Senator on the floor by such procedure could modify a committee amendment reported to the Senate. It would be, I think, a rather unusual procedure.

The VICE PRESIDENT. It is, of course, up to the Senate to decide whether it wants to vote a duplication or a redundancy into the bill, because it happens to be part of an amendment which is offered.

Mr. KNOWLAND. It is a very material change, Mr. President. I am not objecting to the amendment, which the Senate may well adopt.

The VICE PRESIDENT. The Senator from Oklahoma proposes to add certain provisos, but does not propose to strike out anything.

Mr. KNOWLAND. No; but the amendment adds a number of agencies which heretofore have not been in the bill as reported by the committee.

The VICE PRESIDENT. The Chair holds the Senator may modify his amendment, even though he includes a matter already in the bill. There is no parliamentary rule that prevents a Senator from modifying his own amendment. It is then up to the Senate to decide whether to adopt it.

The question is on agreeing to the amendment offered by the Senator from Oklahoma, as modified. [Putting the question.] The "noes" seem to have it. The "noes" have it.

Mr. THOMAS of Oklahoma. I request a division.

Mr. AIKEN. Mr. President, may we have the amendment read as modified before the Senate divides on it?

The VICE PRESIDENT. The only thing at the desk is the printed amendment. The Chair finds something that seems to be connected with it. The amendment does not seem to be in existence in the modified form, so far as printing is concerned. The Chair declared the amendment lost, and it is now an academic question whether it is printed. The Chair wishes to correct his statement by saying that the Senator from Oklahoma requested a division.

Mr. GURNEY. Mr. President, may I request the Senator from Oklahoma to restate his amendment?

Mr. THOMAS of Oklahoma. Mr. President, here is the whole thing. It is very simple. I may say I presented to the committee an amendment which, if adopted, would make certain supplies now in the possession of the Commodity Credit Corporation available to Indians, to school-lunch programs, and to needy persons throughout the country, through State and local welfare organizations. That part of the amendment is in the bill. Since that time, representatives have come to me from CARE and from other organizations asking that they be permitted to get some of the supplies to be used for the work in which they are engaged. The international organization called CARE secures supplies from the public gratuitously and sends them abroad. They communicated with me and asked whether I could broaden my amendment to make CARE eligible to make application to the Secretary in order to secure some of the supplies which are about to spoil and which, if not used, will rot. There are on hand millions of pounds of meat from Mexico which is in cans, and the cans are rusting and bursting. It is now costing us money to keep it in storage.

The amendment proposes a way of getting rid of some of these supplies by making the food available to people who are hungry. It gives them an opportunity to get some of the supplies under rules and regulations prescribed by the Secretary. That is No. 1.

No. 2, it makes the supplies available to the Munitions Board so that, instead of using money to buy materials which are needed, they can use these surplus supplies in trade or barter, and in that way perhaps get rid of them. In that way these surplus articles will serve a good purpose. I simply propose by the amendment to broaden my previous amendment to cover the two organizations, CARE and the Munitions Board.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from California?

Mr. THOMAS of Oklahoma. I yield.

Mr. KNOWLAND. To take a specific example, would the Senator have in mind that India, let us say, had some manganese available, and that, rather than the Munitions Board's having to pay dollars for it, it could, providing the Government in India and the Munitions Board itself felt it would be an advantageous deal, in effect barter or exchange some of the surplus commodities for the manganese. Is that the idea?

Mr. THOMAS of Oklahoma. Yes. The Board could offer some of the 10,000,000 pounds of butter; it could offer some of the dried milk, or dried prunes, or dried raisins, or beans or eggs.

Mr. KNOWLAND. And it would be the Senator's idea that by a trading arrangement we might then be able to save on the appropriations made by the Congress, or if we were not able to do that, that we might be able to obtain certain of the stock-piling materials through barter. Is that correct?

Mr. THOMAS of Oklahoma. That is correct.

The VICE PRESIDENT. Debate is out of order at this time. The Chair was in the process of putting the question to a division.

Mr. THOMAS of Oklahoma. I asked for a division.

Mr. DONNELL. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. DONNELL. I should like to ask a question, if I may.

The VICE PRESIDENT. The Chair is now in the act of putting the question to a division. After declaring the amendment submitted to the Senate to have received a majority against it, a division was requested, and the Chair must carry out that process.

Mr. DONNELL. Mr. President, may I ask unanimous consent that I may interrogate the Senator from Oklahoma? I should like to understand the question a little better, if I may.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DONNELL. Mr. President, I should like to ask the Senator from Oklahoma this question: He mentioned, as I understood, that there is already provision in the bill by which commodities may be given to charitable organizations.

Mr. THOMAS of Oklahoma. That is correct.

Mr. DONNELL. Where is that in the bill?

Mr. THOMAS of Oklahoma. It is the last section.

Mr. DONNELL. It is the last section of the bill?

Mr. KNOWLAND. It begins at the bottom of page 25, in section 417.

Mr. DONNELL. Omitting the introductory premise, the section reads as follows:

The Secretary of Agriculture and the Commodity Credit Corporation are directed to make such commodities available at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, to school-lunch programs when approved by the Secretary, and to the Bureau of Indian Affairs and to Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons.

Is that the section to which the Senator refers?

Mr. THOMAS of Oklahoma. I propose to broaden that by my original amendment, which is pending before the Senate, to include CARE and the Munitions Board. They may not exercise the power, but one of the organizations, CARE, has asked me to have the provision placed in the bill, and, in compliance with their request, I have offered the amendment.

Mr. DONNELL. I thank the Senator. I know of the organization, CARE, but I am not familiar with the details of its organization. Is it a private organization?

Mr. THOMAS of Oklahoma. I think it was privately organized but it is an association of all the charitable organizations interested in affording relief to foreign needy peoples.

Mr. DONNELL. I assume it is a non-profit organization. Does the Senator think that by authorizing the Secretary of Agriculture to make available surplus commodities to CARE, other organizations of like character which are not mentioned might feel that they are discriminated against?

Mr. THOMAS of Oklahoma. I think the State and local welfare organizations will cover that point. That authority is already in the bill. This is a means of getting rid of surplus supplies which, if not gotten rid of, will continue to accumulate storage charges.

Mr. DONNELL. I can well understand the Senator's point.

The VICE PRESIDENT. On the question of agreeing to the amendment offered by the Senator from Oklahoma a division has been asked. [Putting the question.]

On a division the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I desire at this point to detain the Senate only for a few moments with respect to the status of farm legislation generally. I do this mainly for the Record.

At the present time there is upon the statute books the Agricultural Adjustment Act of 1938. To it has been added the Hope title of the 1948 bill, which is in effect at this time. If nothing is done by this Congress, on January 1, 1950, the 1938 Agricultural Adjustment Act will be modified, the Hope section of the 1948 act will cease to exist, and the so-called Aiken law will become the basic agricultural law of the United States.

Mr. President, in the early days of this session the Secretary of Agriculture sent to me, as chairman of the Senate Committee on Agriculture and Forestry, a copy of a bill which he desired to have considered. I might say that the original bill was sent to the Vice President, as the presiding officer of the Senate, and by the Vice President sent to the Committee on Agriculture and Forestry, and in that manner I got the text of the bill which I introduced in the Senate. The bill is known as Senate bill 1971, a copy of which I exhibit to the Senate.

Later on, when the business of the Senate became more congested, I found myself not only chairman of the Committee on Agriculture and Forestry, but like-

wise a member of six subcommittees of the Senate Appropriations Committee, and along about May and June, when the appropriation bills began to come over from the House and the subcommittees were called to meet, I felt that I had to give some attention, at least, to appropriations, because they affected my State directly, along with other States. So, doing what I thought was the proper thing, I got permission to appoint a subcommittee of the Committee on Agriculture and Forestry to take up the so-called Brannan bill, Senate bill 1971, and another bill which had been introduced, and the subcommittee was authorized to hold hearings and submit a report. Knowing that we had on our committee one of the outstanding agricultural experts of the country in the person of the Senator from New Mexico [Mr. ANDERSON] I took it upon myself to make him chairman of the subcommittee, and I appointed four members to serve with him. Immediately he organized his subcommittee, and issued notices and started hearings on the Brannan bill and on another bill which, as I stated, was pending before the committee.

Pursuant to that appointment the Senator from New Mexico held hearings on the Brannan bill and the other bill which I have mentioned, which is Senate bill 1882. I exhibit to the Senate a copy of the printed hearings taken by the subcommittee on those two bills. At a later date supplemental hearings were held and a second volume was produced. I exhibit to the Senate a copy of the second volume of the hearings.

As a result of the hearings it seemed that the so-called Brannan bill was not very well understood. No one asked to be heard in favor of it, and no one appeared in favor of the bill save the Secretary of Agriculture and some of his assistants. The bill was not introduced in the Senate until May 31. Congress was then well along in the session. The Brannan bill to this day has not been given very much consideration, for the obvious reason that it was not understood. So the subcommittee, in place of making a report on the Brannan bill, proceeded to develop the bill which is now pending before the Senate. Inasmuch as the Brannan bill or the Brannan plan for supporting prices has not been reported on to this date, excepting indirectly, I desire at this time to take a very few moments to explain briefly what confronts the Senate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Do I correctly understand that the Senator is offering the Brannan plan as a substitute for the pending bill?

Mr. THOMAS of Oklahoma. No; that is not what I am doing at the present time. I am merely talking about the Brannan bill at this time.

Mr. WILLIAMS. Is the Senator going to offer it or ask the Senate to consider it?

Mr. THOMAS of Oklahoma. I want to lay a foundation by explaining the bill for a few moments, before I answer that question. I want the Senate to understand just what confronts us.

On the first day of January, if no action is taken, the so-called Aiken law will become effective. My committee has had its legislative staff and the Senate drafting staff make an analysis of the so-called Aiken Act, and I should like at this time to place in the RECORD, with the consent of the Senate, a short statement seeking to explain what the Aiken law will do.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. May I inquire who made the analysis? I do not seem to have any knowledge of its being acted on by the committee.

Mr. THOMAS of Oklahoma. I will submit the statement to the Senator. It is a copy of a statement placed in the RECORD a few days ago by the distinguished Senator from North Dakota [Mr. YOUNG]. I took it from the RECORD because I wanted to use it at this time. I think it is accurate.

Mr. AIKEN. Mr. President, I ask unanimous consent to insert in the RECORD near the same place an analysis of the so-called Aiken Act made by the office of the Solicitor of the Department of Agriculture approximately a month after the law's passage.

The VICE PRESIDENT. Without objection, the two analyses will be printed in the RECORD in juxtaposition.

Mr. AIKEN. I hope the chairman of the committee will make it clear that no action was taken by the committee in connection with having an analysis of this kind prepared.

There being no objection, the analyses were ordered to be printed in the RECORD, as follows:

AIKEN ACT
(Permanent legislation)
(Use Aiken parity formula)

The Aiken Act provides:

1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice and peanuts, between 90 and 60 percent of parity, the minimum varying within such limits as the supply varies from 70 to 130 percent of normal supply. Whenever acreage allotments or marketing quotas are in effect the support level would be increased 20 percent, which would make the minimum level no lower than 72 percent in actual operation. The Secretary has ruled that if he deems it advisable, he can set the level of support at 90 percent in any year, but in no event can the level be set at less than the minimum provided.

2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. Other conditions of support same as Anderson bill.

3. All other nonbasics, including rye, barley, oats, flax, eggs, poultry, dairy products, beef, and pork to be supported between 0 and 90 percent of parity, at the discretion of the Secretary.

4. Allows perishable farm commodities to be supported by subsidy payment to farmers but limited by the funds it may use for that purpose.

UNITED STATES DEPARTMENT OF AGRICULTURE—
AN ANALYSIS OF THE PRINCIPAL PROVISIONS
OF THE AGRICULTURAL ACT OF 1948 AND RE-
LATED LEGISLATION (PREPARED IN THE OFFICE
OF THE SOLICITOR)

INTRODUCTION

The Agricultural Act of 1948 supplements and amends legislation affecting producers and handlers of agricultural commodities.

The act relates principally to price support, parity, funds for the encouragement of the exportation and domestic consumption of surplus agricultural commodities, import quotas and fees, farm-marketing quotas, and conservation payments.

The act provides for (a) price support beginning at the expiration of preexisting emergency price-support legislation on December 31, 1948 (1) for 1949 on a temporary basis and (2) for years subsequent to 1949 on a permanent basis, (b) a new parity-price formula effective January 1, 1950, (c) the accumulation from fiscal year to fiscal year after January 1, 1950, up to \$300,000,000 of unexpended section 32 funds which are appropriated annually for the encouragement of domestic consumption and exportation of surplus agricultural commodities, (d) immediate extension of authority for imposition of import quotas and fees so as to bring price-support programs within such authority, and (e) continuation of conservation payments until December 31, 1950.

The act also makes effective January 1, 1950, certain changes (a) in the conditions under which marketing quotas for some of the basic commodities may be proclaimed and in the effective marketing year for such quotas, and (b) in the definitions of "normal supply," "total supply," and "carry-over" as affecting programs for the basic commodities.

PRICE SUPPORT

A. Generally

The Agricultural Act of 1948 amends the permanent legislation for price support as contained in the Agricultural Adjustment Act of 1938. These amendments will not become effective until January 1, 1950. In the meantime, price support is continued under temporary legislation. The enactment of emergency legislation since 1941 has rendered largely inoperative the price-support provisions of the 1938 act. The emergency legislation consists principally of the Stabilization Act of 1942 which will expire with the 1948 crops of the basic commodities, and the so-called Steagall amendment of 1941 which will expire on December 31, 1948, and also that part of the Agricultural Act of 1948 which makes special provision for price support for 1949.

Agricultural commodities are classified, for price-support purposes, as basic and non-basic, with a temporary subclass of the non-basic known as Steagall commodities. The basic commodities are cotton, wheat, corn, tobacco, rice, and peanuts. All other commodities are nonbasic. The Steagall commodities are hogs, eggs, chickens, turkeys, milk and butterfat, dry peas of certain varieties, dry edible beans of certain varieties, soybeans for oil, peanuts for oil, flaxseed for oil, American-Egyptian cotton, potatoes, and sweetpotatoes—commodities for which the Secretary formally requested an increase in production during the war-emergency period. The special status of the Steagall commodities, as extended by the 1948 act, will expire December 31, 1949.

The applicable legislation provides for both permissive and mandatory price-support programs. Price support is mandatory for all basic commodities, for Irish potatoes and wool, and, until December 31, 1949, for the Steagall commodities. Price support is permissive for all other commodities. Administrative action in inaugurating a price-support program, including the level of support, is subject to statutory requirements.

B. Basic commodities

1. Level of support: For crops of either the 1948 or 1949 year, including that part of any such crop which is harvested in the following year, the level of mandatory support is 90 percent of the parity price, except for cotton of the 1948 crop for which the level is 92½ percent. For all crops subsequent to the 1949 crop, the level will range between a maximum of 90 percent of the

parity price and a minimum of between 60 and 90 percent of the parity price, according to the supply level. The supply level is indicated by the percentage relation of total supply to normal supply, called the "supply percentage." If the supply percentage is more than 98 but not more than 102—that is, when the total supply is substantially in balance with the normal supply—the minimum level of support is 75 percent of the parity price. For each 2-point increase in the supply percentage above 102, the support level decreases 1 percent but not below 60 percent of the parity price, and for each 2-point decrease in the supply percentage below 98 the support level increases 1 percent but not above 90 percent of the parity price. For example, when the supply percentage is more than 102 but not more than 104, the minimum level of support is 74 percent of the parity price, and when the supply percentage is more than 96 but not more than 98, the minimum level of support is 76 percent of the parity price. Within the range between the minimum level of support and 90 percent of the parity price, the level of price support is a matter of administrative determination. Special provision is made, applicable to the 1948 and all subsequent crops, for the support of fire-cured tobacco at 75 percent, and of dark air-cured and Virginia sun-cured tobacco at 66⅔ percent, of the loan rate applicable to burley tobacco.

2. Cooperation of producers: The basic commodities are those for which acreage allotments and marketing quotas are provided under the Agricultural Adjustment Act of 1938. Acreage allotments for corn, wheat, cotton, and rice may be established annually whether or not the supply situation is such as to call for a proclamation of marketing quotas, and quotas for these commodities when established are based upon such acreage allotments. For tobacco and peanuts the acreage allotments are dependent upon a proclamation of quotas which are converted into the allotments. A proclaimed quota becomes effective only upon approval by two-thirds of the producers voting in a referendum.

The right of producers in the aggregate in respect to mandatory support for any basic commodity is affected by acreage allotments and marketing quotas, including the disapproval of marketing quotas, for the commodity. For the 1948 and 1949 crops there is no such support if producers disapprove quotas. For subsequent crops the level of mandatory support upon the disapproval of quotas is a flat 50 percent of the parity price, regardless of the supply percentage, and, if there are in effect acreage allotments at the beginning of the planting season or marketing quotas at the beginning of the marketing year, the minimum level of price support, as fixed by the supply percentage, is increased 20 percent, but not beyond 90 percent of the parity price. Under a special provision, the support level for tobacco, if marketing quotas are in effect, is a flat 90 percent of the parity price, regardless of the supply percentage.

The right of an individual producer to mandatory price support and the level of such support are also affected by the acreage planted to the commodity after the establishment of a farm-acreage allotment, whether or not marketing quotas are in effect. The full measure of mandatory support is accorded only to a cooperator—that is, a producer whose planted acreage does not exceed the farm-acreage allotment—and all cooperators are entitled to such support at the same level, except that as to corn of any crop, except the 1949 crop, cooperators outside the commercial corn-producing area are entitled to support only at 75 percent of the level for cooperators inside the commercial area. A noncooperator—that is, a producer who knowingly overplants his acreage allotment—is not entitled to mandatory support for any overplant crop subsequent to the

1949 crop. For the 1948 and 1949 crops a noncooperator is entitled to support only on that part of the commodity in excess of his farm-marketing quota and at 60 percent of the level applicable to a cooperator.

C. Nonbasic commodities

The legislation permits price support for all and makes price support mandatory as to some of the nonbasic commodities. There are three periods involved for which separate treatment is given, namely the calendar year 1948, the calendar year 1949, and calendar years subsequent to 1949. The level of permissive support is discretionary during all such periods, except that for any calendar year subsequent to 1949 the level may not exceed 90 percent of the parity price.

Mandatory support is permanent as to some, and temporary as to other, nonbasic commodities. It is temporary for the Steagall commodities. Mandatory support for the Steagall commodities has been authorized since 1941, and the expiration date of such support has been extended from December 31, 1948, to December 31, 1949. All of these commodities, except Irish potatoes, will thereafter fall within the general class of nonbasic commodities for which there will be permissive support only and at a level not exceeding 90 percent of the parity price. Mandatory support for Irish potatoes will be permanently in effect. Permanent mandatory support is also provided for wool, which is a nonbasic, but not a Steagall, commodity.

For the calendar years 1948 and 1949, the legislation declares a policy that the non-mandatory lending and purchase operations of the Department shall be carried out so as to bring the price and income of producers of commodities for which only permissive support is provided into a fair parity relationship with other commodities to the extent that funds are available.

The level of temporary mandatory support for the Steagall commodities for the calendar year 1948 is at least 90 percent of the parity price, and for the calendar year 1949 not less than 60 percent of the parity price nor more than the level of support which prevailed in the year 1948, except that during the calendar year 1949 support at 90 percent of the parity price is required for Irish potatoes harvested before the beginning of the year, milk and its products, hogs, chickens, and eggs. The comparable price shall be substituted for the parity price of the Steagall commodities whenever the production or consumption of the commodity has so changed since the base period as to result in a price out of line with parity prices for the basic commodities. Comparable prices are used for soybeans, dry peas, and peanuts for oil.

Irish potatoes harvested in any year after December 31, 1949, are still required to be supported and the level of support is not less than 60 percent nor more than 90 percent of the parity price.

Poultry is subject to a special provision that any permissive support given after December 31, 1949, for turkeys or chickens is required to be extended to all poultry at the same level as for turkeys or chickens.

The level of mandatory support price for wool for the calendar years 1948 and 1949, and for the first 6 months of the calendar year 1950, is the same price at which wool was supported in 1946, while thereafter the support price is at such a level between 60 percent and 90 percent of the parity price as is necessary to encourage an annual production of approximately 360,000,000 pounds of shorn wool.

D. Price support in excess of statutory maximum level

The maximum level of support is 90 percent of the parity price for any crop of a basic commodity following the 1949 crop and for any nonbasic commodity after January 1,

1950. The legislation expressly provides, however, that this maximum may be exceeded as to any particular commodity, basic or nonbasic, whenever it is administratively determined, after a public hearing and finding, that an increased level of support is necessary in order to increase or maintain the production of the commodity in the interest of national security.

E. Underlying conditions and methods

The legislation specifies matters to be considered in determining whether a price support operation shall be undertaken and the level of support; authorizes the administrative establishment of conditions of eligibility to be compiled with by producers; and also authorizes administrative adjustments in any support price on account of marketing factors relating to the commodity.

The matters to be considered in connection with any particular commodity consist of the supply of the commodity in relation to the demand therefor, the price levels at which other commodities are being supported, the availability of funds, the perishability of the commodity, its importance to agriculture and the national economy, the ability to dispose of stocks acquired through a price-support operation, the need for offsetting temporary losses of export markets, and the ability and willingness of producers to keep supplies in line with demand. The conditions of eligibility to be compiled with by producers may relate to acreage allotments, production goals or marketing practices. These matters and conditions are of primary importance in connection with permissive price-support operations, and such aspects of mandatory price-support operations as rest within administrative discretion.

The administrative adjustments on account of marketing factors relate to differences in such factors as grade, type, staple, quantity and location.

The methods of price support consist of loans, purchases, and other operations and, subsequent to January 1, 1950, also payments and indirect operations such as an improved merchandising practice. The use of any particular method or methods rests within administrative discretion.

The legislation contains specific provision for continuing the nonrecourse feature of price-support loans. This feature was originally introduced by the Agricultural Adjustment Act of 1938. In the absence of fraud, the producer is not liable for any deficiency on his loan resulting from a decline in the market value of the commodity securing the loan. The producer may be held liable, however, for deficiencies in the grade, quality, and quantity of the commodity.

F. Funds available

The funds of Commodity Credit Corporation and section 32 funds are available for price-support operations, subject to certain limitations. The funds of the Corporation are derived from its capitalization of \$100,000,000, its borrowing power of \$4,750,000,000, and a reserve for postwar price support consisting of the original sum of \$500,000,000, with a balance on May 31, 1948, of approximately \$385,000,000.

Section 32 funds consist of an appropriation for each fiscal year of an amount equal to 30 percent of the gross receipts from duties for the encouragement of domestic consumption and exportation of surplus agricultural commodities. It is recognized that section 32 programs (and also programs under section 6 of the National School-Lunch Act) are effective in supporting prices to producers of the commodities covered by such programs. The facilities of Commodity Credit Corporation may be used in the administration of such programs. The unexpended balance of section 32 funds will accumulate from fiscal year to fiscal year after January 1, 1950, up to \$300,000,000.

The funds of the Corporation may be used in supporting the price of perishable commodities as long as the unexpended balance of section 32 funds at the end of the preceding fiscal year is \$300,000,000 or less and then only to the extent that the reserve for postwar price support is sufficient to cover any losses that may be incurred in such operations. This limitation is not applicable where the perishable commodity is reasonably storable without excessive loss or excessive cost, or to Irish potatoes regardless of storability, or where it is sought to support the price of a nonstorable perishable commodity through a loan or other operation with respect to a storable product of the commodity.

G. Restrictions on disposition of commodities

The Agricultural Act of 1948 imposes a restriction, effective January 1, 1950, on the disposition by Commodity Credit Corporation of farm commodities owned or controlled by it. The restriction is comparable to the existing restriction which expires on December 31, 1948. The principal purpose of the restriction is to avoid the impairment of price support programs.

The restriction presently in effect prohibits the sale of a commodity at less than the parity price, with important exceptions. The restriction which becomes effective January 1, 1950, is on the sale of a commodity at less than a price determined on a reimbursable pricing basis for the Corporation's stocks of the commodity, or a price halfway between the support price, if any, and the parity price, or a price equivalent to 90 percent of the parity price, whichever price is lowest.

The exceptions to the new restriction are also comparable to those now in effect. The exceptions relate principally to sales where the commodity is deteriorated, or, if perishable, where there is danger of loss through spoilage, and sales for export. The exceptions also include sales for other than primary uses, including new or byproduct uses, the sale of peanuts for the extraction of oil, the sale of a commodity for seed or feed, and sales to establish claims. The sale of wool also falls within the exceptions.

Reference is made to two other statutory provisions relating to the disposition of commodities owned by Commodity Credit Corporation. The provision of the Agricultural Adjustment Act of 1938 that cotton may not be sold for less than reimbursement price and in a quantity more than 300,000 bales a month or 1,500,000 bales a calendar year is suspended until December 31, 1948, and is repealed as of January 1, 1950. It will, therefore, be technically in effect only during the calendar year 1949. There will continue in effect through 1949 the provision of the Surplus Property Act of 1944 authorizing the disposition of any agricultural commodity or product thereof for export at competitive world prices for cash, the equivalent of cash, or adequately secured credit, without regard to any other restriction, unless such disposition would interfere with our normal domestic requirements for food.

NEW PARITY FORMULA

A new parity price formula, applicable to all agricultural programs, will come into effect on January 1, 1950. In the meantime, the old parity formula will continue in effect. The agricultural programs affected by parity are price support, farm marketing quota, and marketing agreement and order programs.

The parity price under the old formula for any particular commodity is determined by multiplying the average price received by farmers for the commodity during a base period by the parity index. The parity index is used in order to bring farm prices into the desired relation with nonfarm prices. The index is the ratio of the current level of prices of articles and services purchased by

farmers to the level of such prices during the base period.

The base period under the old formula is not the same for all programs nor for all commodities under the same program. The base period is August 1909 to July 1914 for all commodities, excepting that (a) under marketing agreement and order programs, the base period is August 1919 to July 1929 for tobacco of all kinds and potatoes and this base period is required to be used also for any other commodity in respect to which the purchasing power during the 1909-14 period cannot be satisfactorily determined and (b) under the price-support and farm-marketing-quota programs, the base period is August 1934 to July 1939 for burley and flue-cured tobacco and August 1919 to July 1929 for other kinds of tobacco. There is, however, a special base period, August 1936 to July 1941 for Maryland tobacco which will be effective under the provisions of the act of 1948 relating to temporary price support.

The parity index used under the old formula reflects in all cases the prices of articles and services purchased by farmers and, with respect to all commodities for which the base period is 1909-14, reflects also the current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate.

The new parity formula, including the parity index, adopts the same base period for all commodities and all programs. The parity index reflects, in addition to prices, interest and taxes paid by farmers. The base period is January 1910 to December 1914, inclusive. The distinguishing feature of the new formula is that it adopts an adjusted base price in determining the parity price for a particular commodity. This adjusted price is used in place of the average price actually received in the base period for the commodity. The adjustment takes into consideration the general level of farm prices for all agricultural commodities, first, during the most recent 10-year period, and, secondly, during the 1910-14 period. The ratio of the former to the latter gives an index number by which the average farm price of the particular commodity under consideration during the same most recent 10-year period is divided. The quotient is regarded as the adjusted base price for the particular commodity. The parity price under the new formula is obtained by multiplying this quotient, or adjusted base price, by the current parity index.

The parity price under the new formula may equal, or it may be lower or higher than, that calculated under the old formula. If it is lower, a transitional parity price will be used until such time as it becomes the lower of the two prices. The transitional parity price, as of any date, consists of the parity price under the old formula less 5 percent thereof multiplied by the number of calendar years which shall have lapsed after January 1, 1949.

The new parity price, including the transitional price, of any particular commodity may be revised where it appears after a public hearing that such price is seriously out of line with the parity prices of other commodities, and such a hearing must be held when requested by a substantial number of interested producers.

The new parity price formula applies after January 1, 1950, to all agricultural programs, including marketing agreement and order programs under the Agricultural Marketing Agreement Act of 1937, but any marketing agreement or order in effect on January 1, 1950, may continue in effect without the necessity of amendatory action as long as such agreement or order tends to effectuate the legislatively declared policy.

The operation of the new parity formula, as projected into the year 1950, may be illustrated, in the case of corn as an example, upon the assumption that the level of farm

prices and the indices used in the computation of parity will be the same then as they were in July 1948. The parity price for corn would be \$1.42 per bushel under the new adjusted base price formula and \$1.61 per bushel under the old formula. The transitional parity price would be \$1.53 per bushel, which is the old parity price of \$1.61 per bushel less 5 percent thereof by reason of the lapse of one full calendar year since January 1, 1949. The effective parity price is the transitional price since it is higher than the parity price under the new adjusted base price formula. The parity price of \$1.42 per bushel under the adjusted base price formula is obtained as follows: The general level of prices for all agricultural commodities for the 10-year period, 1940-49, is 168 percent of the level for the base period, 1910-14. The all commodity price index is, therefore, 1.68. The average farm price of \$0.953 for corn during said 10-year period, when divided by 1.68, gives an adjusted base price of \$0.567. The present level of prices paid by farmers for articles purchased by them is 251 percent of the level in the base period 1910-14, giving a parity index of 2.51. The adjusted base price of \$0.567 a bushel for corn, when multiplied by the parity index of 2.51, gives a parity price of \$1.42 a bushel. The parity price of \$1.61 under the old parity price formula is obtained by multiplying the average price of \$0.642 for corn in the 1910-14 base period by the parity index of 2.51. The all commodity index of 1.68 and the parity index of 2.51 would be applicable in computing the parity price for any commodity.

EXTENSION OF AUTHORITY TO IMPOSE IMPORT QUOTAS AND FEES

The authority of the President under section 22 of the Agricultural Adjustment Act of 1933, as amended by the Agricultural Marketing Agreement Act of 1937, to impose import quotas or fees on any commodity the importation of which would interfere with the operation of certain agricultural programs is amended in several particulars, including the extension of the authority of this section to price-support programs. This amendment became effective July 3, 1948.

CHANGES IN CONDITIONS FOR PROCLAIMING MARKETING QUOTAS AND IN METHOD OF CALCULATING "SUPPLY"

The Agricultural Act of 1948 changes the conditions under which marketing quotas are to be proclaimed for all of the basic commodities except peanuts. It also changes the definitions of "carry-over," "total supply," and "normal supply," as applied to some of the basic commodities in the establishment of marketing quotas and acreage allotments. The definitions of "total supply" and "normal supply" will also become important in determining the minimum level of mandatory price support for the basic commodities. The legislation which is changed is that contained in the Agricultural Adjustment Act of 1938. The changes will become effective January 1, 1950.

The changes in the definitions of "carry-over," as affecting all of the basic commodities except tobacco and wheat, and in the definition of "total supply," as affecting all of the basic commodities except tobacco, have the effect principally of adding peanuts to each definition and of bringing imports of each of the commodities within the definitions. The present definitions of "carry-over" comprise that part of each commodity produced and on hand in the United States, except that it includes wheat produced elsewhere but on hand here, and cotton on hand elsewhere but produced here. Wheat, therefore, is the only commodity for which imports are presently required to be taken into account in determining carry-over. The new legislation does not change the definition for wheat, which includes imports, nor does it change the definition for tobacco, which ex-

cludes imports. The new definition of "carry-over" for cotton, however, excludes foreign-held stocks of cotton produced here. The present definition of "total supply" comprises estimated domestic production plus carry-over. As indicated above, the changed definition adds estimated imports except in the case of tobacco. Consistently with the changes thus made in the definitions of "carry-over" and "total supply" so as to include imports, the new legislation requires that imports be used also in determining acreage allotments for wheat and corn and the national baleage allotment for cotton which is converted into acreage allotments.

The change in the definition of "normal supply," as affecting all the commodities except tobacco, is a substantial change. The new definition adds peanuts and makes the normal supply of each of these commodities more representative of current needs than is presently the case in the use as to corn, wheat, cotton, and tobacco of a 10-year average, and as to rice of a 5-year average, of domestic consumption and exports, plus a percentage thereof varying in amount as to each commodity. The new definition states that "normal supply" for any marketing year shall be the sum of estimated domestic consumption for the preceding marketing year and estimated exports for the marketing year involved plus, as an allowance for carry-over, a percentage of consumption, and exports varying in amount as to each commodity. The carry-over percentages are: Corn, 7 percent; cotton, 30 percent; rice, 10 percent; and wheat and peanuts, 15 percent. The normal supply is adjustable for current trends in consumption and unusual conditions. There has been no change in the definition in respect to tobacco for which the normal supply consists of a normal year's domestic consumption and exports plus, as a carry-over allowance, 175 percent of the consumption and 65 percent of the exports.

The supply conditions presently required for the proclamation of quotas are an excess of "total supply" over "normal supply" (as these terms are defined in the 1938 act) by more than 5 percent for tobacco, 10 percent for corn and rice, and 7 percent for cotton; while for wheat the requirement is that "total supply" exceed a "normal year's domestic consumption and exports" by more than 35 percent. For peanuts, a quota is required to be proclaimed each year without regard to the supply situation.

The new legislation makes no change in the requirement as to peanuts or tobacco except that the supply conditions under which a quota for any kind of tobacco is to be proclaimed after January 1, 1950, are, to some extent, rendered inoperative by the new requirement for a proclamation of a quota for each kind of tobacco for which a quota was proclaimed in the preceding year and also a quota for Virginia sun-cured tobacco for each year for which a quota is proclaimed for fire-cured tobacco.

The new legislation changes the supply conditions under which quotas are to be proclaimed for corn, wheat, cotton, and rice and also the year during which quotas for such commodities are to become effective. The changes require a proclamation of a quota upon a determination in any calendar year that the total supply of the commodity for the marketing year beginning in such calendar year will exceed the "normal supply" by more than 20 percent for corn, wheat, and rice and 8 percent for cotton, or that for the marketing year ending in such calendar year the "total supply" is not less than the "normal supply" and the average farm price for three successive months does not exceed 66 percent of the parity price. The "normal supply" and the "total supply" will be determined in accordance with the new definitions of these terms. The quota thus proclaimed in any calendar year would be in effect, as to wheat, cotton, and rice, to mar-

ketings during the marketing year beginning in the next succeeding calendar year and, as to corn, to the crop grown in such succeeding calendar year.

The new legislation makes certain changes in the amount of national marketing quotas, of national acreage allotments, and of the national baleage allotment for cotton which is converted into acreage allotments. National marketing quotas for tobacco and peanuts are converted into acreage allotments which are established only upon the proclamation of the quota. National acreage allotments for corn, wheat, and rice, and the national baleage allotment for cotton which is converted into acreage allotments, may be established annually whether or not the supply situation is such as to call for a proclamation of quotas, and any proclaimed quota is based upon such acreage allotments. The national quota, the amount of which is specifically provided for only in the case of tobacco, peanuts, and rice, the national acreage allotments for corn, wheat, and rice, and the national baleage allotment for cotton, are such in each case as will make available a given supply. The supply to be made available by quotas for tobacco and rice is the normal supply plus, as to tobacco, 5 percent thereof, while for peanuts the supply to be made available by the quota is the average harvest for nuts for the preceding 5 years, adjusted for current trends and prospective demand conditions. The acreage allotments in the case of corn and wheat are such as to make available a supply equal to a normal year's domestic consumption and exports plus 10 percent in the case of corn and 30 percent in the case of wheat, and, in the case of rice, to make available a supply equal to the normal supply. The national baleage allotment for cotton is also such as will make available a supply equal to the normal supply.

The new legislation makes no change in the amount of the national quota for tobacco, rice, and peanuts except insofar as the definition of "normal supply" has been changed in its application to rice. Nor has any change been made in the acreage allotments for corn, wheat, and rice and the national baleage allotment for cotton except insofar as imports are required to be considered in making the determination of the allotments for corn, wheat, and cotton, and as changes are made in the definitions of "carry-over" as applied to corn, wheat, cotton, and rice, and of "normal supply" as applied to cotton and rice. The requirement that quotas be approved by two-thirds of the producers of the commodity in a referendum is not changed. The amounts of national marketing quotas, national acreage allotments, and the national baleage allotment for cotton are subject to exceptions not material here.

EXTENSION OF PERIOD FOR MAKING CONSERVATION PAYMENTS

The authority of the Secretary of Agriculture to make conservation payments to producers of agricultural commodities, as contained in sections 7 to 17 of Soil Conservation and Domestic Allotment Act, is extended for a period of 2 years from December 31, 1948, to December 31, 1950.

This analysis is not an interpretation of the law in its application to specific situations. A careful study of the relevant provisions of the law will be necessary in the solution of particular problems as they arise.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. In order that the RECORD may be complete, I was wondering if the Senator does not think it advisable to have the Brannan bill printed at this point in the RECORD.

Mr. THOMAS of Oklahoma. I had anticipated that action, but the so-called

Brannan plan is printed in the hearings. It is rather lengthy, and I did not want to encumber the RECORD unnecessarily. I have the bill before me. It contains 86 pages.

Mr. WILLIAMS. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. WILLIAMS. Would the Senator have printed a short analysis of the Brannan plan? It seems to me the RECORD should be complete at this time.

Mr. THOMAS of Oklahoma. If anyone is sufficiently interested in the Brannan plan, he can send to any Senator or to the Senate Committee on Agriculture and Forestry and secure a copy, but I do not care to encumber the RECORD with an 86-page bill.

Mr. YOUNG. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield to the Senator from North Dakota.

Mr. YOUNG. Does the copy of the analysis which I presented for the RECORD, which the able Senator from Oklahoma is now asking to have printed, show that it was prepared by Mr. Stanton? The Senate Committee on Agriculture and Forestry had an analysis made by Mr. Stanton, of the Senate legislative counsel, and from that analysis I made rather a brief summary of the analysis, which, while brief, I believe to be absolutely correct.

Mr. THOMAS of Oklahoma. I am only too glad to include along with my interpretation of the Aiken Act the interpretation made by the distinguished author of the law, the Senator from Vermont [Mr. AIKEN], so that the members of the public who may see fit to read this RECORD may have what the committee counsel has prepared and also what the author of the act has prepared. What I have is very brief.

Mr. AIKEN. Mr. President, the analysis which I have inserted is not my analysis. It is an analysis made by the solicitor's office of the Department of Agriculture last July, which has been disagreed to in considerable measure by the Secretary of Agriculture at various times since.

Mr. WHERRY. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to ask a question of the distinguished Senator from Oklahoma, chairman of the Committee on Agriculture and Forestry, with whom I have had a long association on the Committee on Appropriations, and whom I have always known to be very fair and honorable. I have a feeling that that sentiment is mutual, so far as the junior Senator from Nebraska and the senior Senator from Oklahoma are concerned.

Mr. THOMAS of Oklahoma. It is 100 percent mutual.

Mr. WHERRY. The Brannan plan has been discussed from one end of the country to the other. There have been those who have supported it and there have been those who have opposed it. The Eightieth Congress adopted the so-called Aiken plan. We have before us

now the Anderson plan. We have had a vote on the Aiken plan, and we are shortly to have a vote on the Anderson plan. I ask the distinguished Senator from Oklahoma whether, as a possible guide to the leadership, to the farm organizations of the country, and to the farmers of the country, he does not feel that after he has completed his statement he should offer his amendment embodying the Brannan plan, and permit the Senate to take a vote on the amendment.

Without any idea of being facetious, but because the plan has been considered and may become an issue, I think we should be perfectly frank about it. So, can we not go on record as to how we feel about it, vote it up or down, and let the country know where we stand on it? I ask the distinguished Senator to state if he does not think that is the proper procedure, in view of the fact that the distinguished and able Senator, the chairman of the Committee on Agriculture and Forestry, is now presenting the plan.

Mr. THOMAS of Oklahoma. Mr. President, answering the inquiry of the distinguished minority leader, let me say that no report has been made to the Senate on the Brannan plan, and, personally, I would object to asking the Senate to vote upon a bill that has not even been reported to the Senate. That is my first point.

Second, it is my judgment, speaking for myself, that I do not know enough about the Brannan plan, and I do not know of any Senator who knows enough about the Brannan plan, to justify us in casting our votes on it now. If I were asked to vote on that plan, I would say that I was not prepared to do so. It would not be proper, from my standpoint, to ask Senators who do not know about it to vote on it. I am fearful that if called upon to do so now, for the best of reasons, they would vote "no." That would be unfair to the Brannan plan, with the information we have. If the Senator will permit me to proceed, I think he will have my viewpoint with respect to the matter.

Mr. WHERRY. I have no purpose of disturbing the Senator in his presentation; but if he will yield—

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Certainly the Brannan plan has been discussed from Des Moines to both coasts and back again. Secondly, we have the Anderson agricultural bill before us, and we know that we have passed on bills containing more pages than the bill to which the Senator has referred in a shorter time than we are giving to this bill. Every Senator knows really what is at the basis of the Brannan plan. We know it is a question of production payments to be made to the farmers for producing agricultural products based upon the consumer prices. That principle is involved, and every Member of the Senate knows what principle is involved. We know the Anderson plan involves a flexible parity, on a different percentage basis from the Aiken plan. We know what is contained in the Aiken plan.

I submitted to the distinguished Senator my request, which he declined, but

I made it in all sincerity and humility, with the thought that the Senator might furnish a guide to the thinking of the Senate as to which plan to proceed with. As I understand, the President of the United States has supported continuously flexible parity formulas, until very recently. Let us have a vote on this matter, if the Senator can bring that about, so that we will understand whether we are to have the flexible parity formula, the 90-percent-of-parity formula, or the Brannan plan. Let us have a vote on it.

Mr. THOMAS of Oklahoma. I appreciate the suggestion made by the minority leader, but it is not fair to me to break in and make the suggestion before I have laid the foundation for my conclusion. I shall have to leave the Chamber shortly after 12:30 o'clock, and I must conclude before that time. After I have concluded with my foundation, if there is any question, I shall be glad to answer it.

I have placed in the RECORD a brief analysis of the Aiken law. At this point I should like to have printed a brief analysis of the so-called Gore bill, now pending on the Senate Calendar.

The VICE PRESIDENT. Is there objection?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

GORE BILL

(1-year extension of present program only)
(Use Gore parity formula)

The Gore bill provides:

1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice, and peanuts, at 90 percent of parity for the 1950 crop.

2. Mandatory price supports for milk and its products, hogs, chickens, and eggs at 90 percent of parity during 1950.

3. Mandatory price supports during 1950 for turkeys, Irish potatoes, flaxseed, soybeans and other Steagall commodities at not less than 60 percent of parity and not more than the level at which the commodity was supported in 1948.

4. All other commodities to be supported between 0 and 90 percent of parity at the discretion of the Secretary.

Mr. THOMAS of Oklahoma. Following what has just been placed in the RECORD, I ask to have printed at this point a brief analysis of the so-called Anderson bill, the pending bill. It is very brief. These are incorporated in the RECORD so as to give readers a chance to understand the basic principles.

The VICE PRESIDENT. Is there objection?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANDERSON BILL

(Permanent legislation)

The Anderson bill provides:

1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice and peanuts, for the first year when under either acreage allotments or marketing quotas at 90 percent of parity, and in all other years between 90 and 75 percent, the minimum varying within such limits as the supply varies from 102 (108 in the case of peanuts and cotton) to 130 percent of normal supply. The Secretary of Agriculture would have authority to set the support at 90 per-

cent or at any level down to the minimum in the case of any basic or nonbasic commodity.

2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. In the case of wool other provisions would assure certain 90-percent supports for several years.

3. Mandatory price supports for whole milk and butterfat between 75 and 90 percent of parity.

4. Oats, barley, rye, flax, and other storable nonbasics to be supported at between 75 and 90 percent of parity, and support is mandatory at such levels whenever production controls are in effect.

5. Pork, beef, eggs, and poultry to be supported at between 75 and 90 percent of parity.

Mr. THOMAS of Oklahoma. Following the Anderson bill, I ask unanimous consent to have a brief analysis of the so-called Brannan plan printed, as embraced in Senate bill 1971.

The VICE PRESIDENT. Is there objection?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

BRANNAN PLAN

(Permanent program)

(Use Brannan parity formula)

The Brannan plan provides:

1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, whole milk, eggs, chickens, hogs, beef cattle, and lambs, at 100 percent of parity (or the income-support standard). The support price of whole milk, eggs, chickens, hogs, beef cattle, and lambs may be reduced by not more than 15 percent at the discretion of the Secretary to maintain proper feed ratios.

2. All other agricultural commodities can be supported from 0 to 100 percent of parity at the discretion of the Secretary.

In addition, the Brannan plan limits price supports to individual farms to 1,800 units or approximately \$20,000. Any production above that limit would be ineligible for support.

3. Allows unlimited practice of supporting perishables by subsidy payment. Secretary Brannan's many statements to the Senate Agriculture Committee and public statements make plain his purpose to allow prices of perishable commodities to drop to any level the supply-and-demand market would provide and make up the difference to the farmers by a subsidy check which would be subject to yearly appropriations by Congress. The major perishables coming under this program would be pork, beef, dairy products, poultry, potatoes, vegetables, and fruits.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. WILLIAMS. May I ask who prepared the analysis of the Brannan plan?

Mr. THOMAS of Oklahoma. I have that information. We have a staff member, Mr. Stanton, assigned to the committee, who is a member of the legislative drafting service, who has prepared the analysis, and from that analysis the Senator from North Dakota [Mr. Young] prepared a briefer analysis. I did not want to put in all the extraneous matters, so I merely put in the gist, or substance.

Following the Brannan-plan analysis, I ask permission to have placed in the

RECORD a chart showing support base prices under the various plans—the present Aiken law, the contemplated Anderson law, and the further contemplated Brannan plan.

The VICE PRESIDENT. Is there objection?

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Support base prices under various plans—
Estimates of 100-percent parity for selected commodities under various alternative plans¹

Commodity	Unit	100 percent parity under—			
		Aiken (title II), Public Law 897	Anderson plan, S. 2522 ²	Brannan plan support standard	Gore bill, H. R. 5345
(1)	(2)	(3)	(4)	(5)	(6)
Wheat....	Bushel....	\$ 1.80	\$ 1.90	\$ 1.94	\$ 2.15
Corn.....	do.....	1.40	1.49	1.44	1.50
Butterfat..	Pound....	.642	.716	.658	.659
Milk.....	Hundred-weight.	4.05	4.48	4.16	3.89
Hogs.....	do.....	18.10	19.20	18.60	17.70
Eggs.....	Dozen....	4.439	4.465	4.50	5.22
Chickens...	Pound....	.278	.295	.285	.277
Flaxseed...	Bushel....	4.13	4.37	4.23	4.11
Potatoes...	do.....	1.55	1.64	1.57	1.78
Beef cattle.	Hundred-weight.	16.20	17.30	16.60	13.20
Lambs.....	do.....	17.60	18.90	18.10	14.30
Oats.....	Bushel....	1.792	1.838	.812	.970
Barley.....	do.....	1.17	1.24	1.20	1.50
Wool.....	Pound....	.479	.507	.491	.445

¹ Based upon index of prices paid, including interest and taxes, as of Sept. 1, 1949, and estimate of 1940-49 average prices received by farmers, where appropriate.

² Based upon index of prices paid, including interest, taxes, and hired farm wage rates, as of Sept. 1, 1949, and estimate of 1940-49 average prices received by farmers, where appropriate.

³ Transitional parity price of \$2.04 (95 percent of \$2.15) would apply.

⁴ Transitional parity price of \$1.48 (95 percent of \$1.56) would apply.

⁵ Transitional parity price of \$0.496 (95 percent of \$0.522) would apply.

⁶ Transitional parity price of \$1.69 (95 percent of \$1.78) would apply.

⁷ Transitional parity price of \$0.922 (95 percent of \$0.970) would apply.

⁸ Transitional parity price of \$1.42 (95 percent of \$1.50) would apply.

Mr. THOMAS of Oklahoma. Mr. President, I wish now to give the reasons why it seems to me the Senate can well consider the so-called Brannan plan.

Mr. AIKEN. Mr. President, will the Senator yield for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I wish to say that I have just read the analysis of the Aiken Act, so-called, which the Senator has placed in the RECORD, and I find it completely accurate. It is not an elaborate analysis, but it is entirely correct so far as it goes.

Mr. THOMAS of Oklahoma. It might be termed a cornerstone, or two cornerstones, or four cornerstones, of the 3 or 4 or 5 basic principles on which the so-called Aiken plan is based.

Mr. AIKEN. Yes.

Mr. YOUNG. Mr. President, I purposely boiled it down so that it would be readable. It does not give all the workings of the plan.

Mr. THOMAS of Oklahoma. I call attention to a few facts which should be appealing to the Senate. Whether or not Senators feel that they appeal to

them, I say, Mr. President, they must appeal to them. The record over the period of 100 years shows that the national income of the United States is approximately seven times the income of all farmers. I want that statement to sink in. The national income, over the past 100 years, has been each year approximately seven times the income of the farmers of the Nation.

When the farmers have a high income the national income is high. When the farmers' income falls, the national income falls. If a billion dollars is added to the farm income of the Nation in any year the national income for such year goes up \$7,000,000,000. If the income of the agricultural interests of America should drop \$1,000,000,000, the national income would fall \$7,000,000,000.

If agricultural income is the basis of national income, the question is: Should we not give thorough consideration to the basis of the income of the agricultural producers of the United States? The facts I have stated, Mr. President, are facts we cannot get away from.

I shall place in the RECORD at this point a few income figures. In 1932, when we had the lowest prices in my lifetime, when wheat sold in my State for 19 cents a bushel, when corn sold for 15 cents a bushel, when hogs and cattle sold for less than 2 cents a pound, and other prices were commensurate, agriculture in that year earned \$6,000,000,000, while the total national income was \$43,000,000,000. The national income was not exactly seven times the agricultural income, but the figure of seven is the closest figure at which we can arrive. The figure 8 would be too high, and the figure 6 would be too low.

Mr. President, all the people of America in 1932 did not earn enough money gross to pay the Federal tax bill which will be asked for in 1951. Add to the Federal tax bill the State, county, and city tax bills and we have \$17,000,000,000 more. Today the total tax bills which fall upon our people amount to some \$60,000,000,000. If the price received for farm products should drop, the national income would drop. If some Senators had their way the result would be a cut in the gross national income in such an amount that the national tax bill could not be met.

In 1933 the farmers received \$7,000,000,000, and that year the national income was even less than the year before—it was only \$42,000,000,000.

In 1937 the farmers' income was \$11,000,000,000. The national income that year was \$71,000,000,000.

In 1941 the farm income was \$13,000,000,000. The national income was \$94,000,000,000.

In 1942 the farm income was eighteen billion, and the national income was \$120,000,000,000. As farm income goes up the national income goes up. As farm income goes down the national income likewise goes down.

In 1943 the farm income was \$22,000,000,000, and the national income was \$150,000,000,000.

In 1944 the farm income was \$23,000,000,000, and the national income was \$160,000,000,000.

In 1946 the farm income was \$25,000,000,000, and the national income \$180,000,000,000.

In 1947 the farm income was \$30,000,000,000, and the national income was \$217,000,000,000.

In 1948 the farm income was \$34,000,000,000, and the national income, according to the best figures I can obtain, was \$231,000,000,000.

Mr. President, I am prepared to say on the basis of these figures that the national income is governed by the farm income. The alternative is to say that the farm income is governed by the national income. Either way, it makes no difference. But if my position is correct, if the national income is governed by the farm income, then the higher the farm income is, the higher the national income will be. When the farm income begins to decline, then the national income begins to fall.

Mr. President, the question now is: Which of the bills will be most likely to produce a national income which will permit the people of America to make sufficient money to pay an annual tax bill of \$60,000,000,000? I am advised that next year the national budget will call for \$44,000,000,000. Next year the State, county, city, and local budgets will call for \$17,000,000,000 more. The \$44,000,000,000 added to the \$17,000,000,000 makes a total of more than \$60,000,000,000 which the people next year must make and lay aside to pay their tax bill.

Mr. President, they cannot do that on low incomes. From this time on we must have high farm prices, we must have high wages, we must have high salaries, we must have high industrial prices, we must have full employment in order to keep the national income up to around \$250,000,000,000. If we do not, we cannot collect sufficient taxes to conduct the affairs of the Nation and of the State and local subdivisions of government. If the national income falls and Congress keeps on appropriating money for useless purposes, as it already has appropriated some money and proposes to appropriate more, then sooner or later the structure will become top-heavy and topple over.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. Is there not one very essential fallacy in what the Senator has just stated?

Mr. THOMAS of Oklahoma. I shall be glad to have the Senator point it out.

Mr. SALTONSTALL. If it is proposed to keep the farm income up through subsidies collected from the industrial worker when the articles produced by the industrial worker are falling in price and quantity, it will not be possible to keep up the national productivity so as to be able to pay the high taxes to which the Senator has referred. The result would be simply to make the industrial worker pay more taxes, would it not?

Mr. THOMAS of Oklahoma. The matter can be considered from any angle, and the same result will be arrived at. If the income of the farmers is cut down, they they cannot buy the automobiles produced by the industrial workers, they cannot buy the combines produced by

them, they cannot buy the plows produced by them, they cannot buy the food products processed by them. Then what is going to happen to the industrial workers? They cannot themselves produce the raw materials, and they cannot process raw materials which are not available. The manufacturers cannot make raw materials into finished product because there will be no consumers. Then what will happen? We arrive at the same result from whatever angle we consider the problem.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. YOUNG. A few days ago the able Senator from Georgia [Mr. GEORGE] pointed out the most important part of the whole farm program and the price-support program. Industry is so well organized now that when steel prices are raised or lowered they are raised or lowered straight across the board. Labor is so well organized now that they have been able to secure three rounds of wage increases since the war. Unless the farmers have a good price-support level the taxes and other expenses of running this Nation will again be placed on the backs of the farmers, and they will have to pay the whole cost of the war. It will mean enslavement for the farmers, exactly as they were enslaved after the previous war. If that is good for the economy of the Nation I simply cannot see it.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as I must leave in a few minutes and I must conclude quickly, I wish to make my presentation, and it will appear in the RECORD for those who want to consider it.

At this point, Mr. President, I pass around among Senators copies of some statistics to which I shall refer very briefly. I am passing out among the Senators present four or five sheets of data which were prepared by agents in the Department of Agriculture. I am not prepared to say that these figures are official in that the Secretary of Agriculture has O. K.'d or approved them. The figures were assembled by an expert in the Department, and if anyone wants to question their authenticity I shall give the name of the man who prepared them for me, so Senators can check up on them. The work has been done too hurriedly to have an official stamp placed upon the figures.

Page 1 provides a list of the main commodities American farmers produce. In the first column will be found "USDA proposal," or otherwise the Brannan plan, so that if the Brannan plan should become law Senators will find in column No. 1 of the chart the total income of the farmers. Now that may be net income. For 1950, it is estimated to be \$23,000,000,000 plus. That is the income which it is estimated the farmers would receive if the Brannan plan should become a law at this session.

The second column sets forth the income which would be produced for the farmers under the Gore bill. The Brannan proposal would give them \$23,000,000,000 plus. The Gore bill would give them \$21,000,000,000 plus. The third col-

umn shows the estimated amount of income during 1950 which the farmers would receive under the Anderson bill, which would be \$15,010,000,000. In the fourth column is the estimated amount which the farmers would receive under the so-called Aiken Act during 1950. This is figured out for each commodity.

On page 2 there is the same information for the year 1951; and on page 3 are found similar figures for 1952.

At the bottom of page 1, I wish to call attention to something which is all-important. Under the so-called Brannan plan the farmers would receive what might be termed 100 percent of parity prices for their commodities, or a total sum of \$23,000,000,000 plus. If the Gore bill should be enacted there would be a substantial reduction, down to \$21,000,000,000 plus. If the Anderson bill should be enacted there would be a still further reduction, and instead of getting \$23,000,000,000 they would receive only about \$15,000,000,000. Under the Aiken Act, if it goes into effect on the 1st of January, instead of the farmers receiving \$23,000,000,000, which it is estimated they would receive under the Brannan plan, they would receive only \$9,000,000,000 plus.

These tables show the effect on our economy if any one of these bills should be enacted. Seven times the farm income will show the number of dollars of national income which would be lost if any of the other bills should be passed. If the Gore bill should be enacted, as compared with the Brannan plan, the income of farmers would be reduced by the difference between \$21,000,000,000 plus and \$23,000,000,000 plus, or \$1,728,000,000. If we multiply that by seven, it shows that the farmers would lose under the Gore bill, as compared with the Brannan plan, the sum of \$12,000,000,000. The Nation would lose that much. There would be that much reduction in the national income.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CAPEHART. I find that the total income in the column headed "USDA proposal" is \$23,000,000,000 plus. This includes income from cotton, wheat, corn, tobacco, milk, chickens, eggs, cattle and calves, hogs, lambs, and sheep. Under title II of the Aiken Act the total income, on cotton, wheat, corn, tobacco, rice, peanuts, potatoes, and wool is \$9,000,000,000 plus. Does the Senator feel that this statement is quite clear, inasmuch as under the Aiken Act neither milk, chickens, eggs, cattle and calves, hogs, and so forth are included? Is it not necessary to add the income from those commodities to the \$9,000,000,000 to get the income of the farmers?

Mr. THOMAS of Oklahoma. Under the Aiken bill no consideration would be given the articles mentioned by the distinguished Senator from Indiana. The Brannan plan takes into consideration only the commodities which it covers. It does not cover a number of things which might be mentioned. So the difference between \$23,000,000,000, the income of farmers on the commodities which are covered, and \$30,000,000,000-odd which they obviously will receive in income, is not calculated in this report.

Mr. CAPEHART. Does not the chart simply show that the income from the commodities which come under the various programs, the prices of which will be guaranteed under the respective bills, totals the sums shown at the top of the various columns? It is not a fact that none of the totals covers the entire income of the farmers?

Mr. THOMAS of Oklahoma. The Senator is absolutely correct, because no legislation today covers all the farmers' products. The Aiken bill covers the fewest of them.

Mr. CAPEHART. The Aiken bill covers the fewest of them, the Anderson bill the next smallest number, the Gore bill third, and the Brannan proposal the largest number. I am sure the able Senator did not intend to leave the impression that under the Brannan plan the total income of the farmers would be \$23,000,000,000; under the Gore bill \$21,000,000,000; under the Anderson bill \$15,000,000,000; and under the Aiken Act \$9,000,000,000. Those are the figures for the commodities the prices of which would be guaranteed by the Government. In no respect do they represent the total income of the farmers of America.

Mr. THOMAS of Oklahoma. I appreciate the contribution made by the Senator from Indiana. He has made the point clear. No one of the pending proposals covers all the things which the farmer produces. These tables show only the effect of the several bills upon the commodities covered in the respective bills.

The point I wish to make is this: If the Gore bill should go into effect, rather than the Anderson bill, it would have the effect in 1950 of reducing the national income by the sum of \$12,000,000,000. If the Anderson bill should become law, it would have the effect of reducing the national income in the sum of \$57,000,000,000. If the Aiken Act should go into effect, it would reduce the national income by \$95,000,000,000, or almost one-half the total income now being received by all the people of America.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I shall not have time to finish my remarks in full. I ask unanimous consent to have printed in the Record at this point as a part of my remarks the tables to which reference has been made.

There being no objection, the tables were ordered to be printed in the Record, as follows:

1950—Income support floors provided by mandatory minimum-price supports for 1950 in major farm price-stabilization proposals

(NOTE.—Income figures shown are 1948 production multiplied by applicable mandatory minimum support prices)

[In millions of dollars]

Commodity	USDA proposal	Gore bill and title I	Anderson bill ¹	Title II (Aiken Act) ¹
Total.....	23,224	21,496	15,010	9,539
Cotton.....	2,064	2,024	1,924	1,646
Wheat.....	2,896	2,499	2,370	2,190
Corn.....	5,293	5,147	4,923	8,906
Tobacco.....	965	836	898	848
Milk ¹	4,112	4,054	3,915	0
Chickens ²	577	588	0	0

Footnotes at end of table.

1950—Income support floors provided by mandatory minimum-price supports for 1950 in major farm price-stabilization proposals—Continued

(NOTE.—Income figures shown are 1948 production multiplied by applicable mandatory minimum support prices)

[In millions of dollars]

Commodity	USDA proposal	Gore bill and title I	Anderson bill ¹	Title II (Aiken Act) ¹
Eggs ²	1,774	2,170	0	0
Cattle and calves, marketings.....	3,238	0	0	0
Hogs, marketings.....	2,484	2,468	0	0
Lambs (and sheep).....	321	0	0	0
Rice.....	0	144	168	159
Peanuts.....	0	246	234	234
Flaxseed.....	0	130	0	0
Soybeans.....	0	303	0	0
Potatoes.....	0	477	455	455
Sweetpotatoes.....	0	64	0	0
American-Egyptian cotton.....	0	1	0	0
Dry field peas.....	0	11	0	0
Beans, dry edible.....	0	103	0	0
Turkeys.....	0	122	0	0
Wool, shorn.....	0	99	107	101
Mohair.....	0	0	7	0
Tung nuts.....	0	0	4	0

¹ Supply percentages for 1950 are assumed to be: Wheat, 121; cotton, 124; corn, 131; rice, 103; and peanuts, 91.

² Total production including butterfat.

³ Produced.

[In millions of dollars]

Income results	USDA proposal	Minus other proposal	Reduction of farmers' income	Times 7 to get maximum effect on national income
USDA over Gore bill.....	23,224	21,496	1,728	12,096
USDA over Anderson bill.....	23,224	15,010	8,214	57,498
USDA over Aiken Act.....	23,224	9,539	13,685	95,795

1951—Income support floors provided by mandatory minimum-price supports for 1951 in major farm price-stabilization proposals

(NOTE.—Income figures shown are 1948 production multiplied by applicable mandatory minimum support prices)

[In millions of dollars]

Commodity	USDA proposal	Gore bill and title I	Anderson bill ¹	Title II (Aiken Act) ¹
Total.....	23,135	21,496	13,930	9,249
Cotton.....	2,069	2,024	1,774	1,572
Wheat.....	2,343	2,499	2,228	2,037
Corn.....	5,293	5,147	4,198	3,796
Tobacco.....	971	836	910	858
Milk ¹	4,089	4,054	3,881	0
Chickens ²	570	588	0	0
Eggs ³	1,761	2,170	0	0
Cattle and calves, marketings.....	3,199	0	0	0
Hogs, marketings.....	2,484	2,468	0	0
Lambs (and sheep), marketings.....	316	0	0	0
Rice.....	0	144	168	159
Peanuts.....	0	246	221	221
Flaxseed.....	0	130	0	0
Soybeans.....	0	308	0	0
Potatoes.....	0	477	432	455
Sweetpotatoes.....	0	64	0	0
American-Egyptian cotton.....	0	1	0	0
Dry field peas.....	0	11	0	0
Beans, dry, edible.....	0	103	0	0
Turkeys.....	0	122	0	0
Wool, shorn.....	0	99	107	101
Mohair.....	0	0	7	0
Tung nuts.....	0	0	4	0

¹ Supply percentages for 1951 are assumed to be: Wheat, 121; cotton, 124; corn, 131; rice, 103; and peanuts, 91.

² Total production including butterfat.

³ Produced.

1951—Income support floors provided by mandatory minimum-price supports for 1951 in major farm price-stabilization proposals—Continued

(NOTE.—Income figures shown are 1948 production multiplied by applicable mandatory minimum support prices)

[In millions of dollars]

Income results	USDA proposal	Other proposal	Reduction of farmers' income	Times 7 to get maximum effort on national income
USDA over Gore bill	23,135	21,496	1,439	10,073
USDA over Anderson bill	23,135	13,930	9,205	64,435
USDA over Aiken Act	23,135	9,249	13,886	97,202

1952—Income support floors provided by mandatory minimum-price supports for 1952 in major farm price-stabilization proposals

(NOTE.—Income figures shown are 1948 production multiplied by applicable mandatory minimum support prices)

[In millions of dollars]

Commodity	USDA proposal	Gore bill and title I	Anderson bill ¹	Title II (Aiken Act) ¹
Total	23,893	21,496	13,813	9,093
Cotton	2,137	2,024	1,778	1,575
Wheat	2,473	2,499	2,125	1,984
Corn	5,548	5,147	4,198	3,796
Tobacco	993	836	902	850
Milk ²	4,193	4,054	3,899	0
Chickens ³	584	588	0	0
Eggs ³	1,802	2,170	0	0
Cattle and calves, marketings	3,276	0	0	0
Hogs, marketings	2,563	2,468	0	0
Lambs (and sheep), marketings	324	0	0	0
Rice	0	144	168	159
Peanuts	0	246	209	209
Flaxseed	0	130	0	0
Soybeans	0	308	0	0
Potatoes	0	477	446	419
Sweetpotatoes	0	64	0	0
American-Egyptian cotton	0	1	0	0
Dry field peas	0	11	0	0
Beans, dry, edible	0	103	0	0
Turkeys	0	122	0	0
Wool, shorn	0	99	107	101
Mohair	0	0	7	0
Tung nuts	0	0	4	0

¹ Supply percentages for 1952 are assumed to be: Wheat, 121; cotton, 124; corn, 131; rice, 103; and peanuts, 91.

² Total production including butterfat.

³ Produced.

[In millions of dollars]

Income results	USDA proposal	Minus other proposals	Reduction of farmers' income	Times 7 to get effect on national income
USDA over Gore bill	23,893	21,496	2,397	16,779
USDA over Anderson bill	23,893	13,813	10,080	70,560
USDA over Aiken Act	23,893	9,093	14,800	103,600

Working table—Mandatory minimum support prices

Commodity	Gore bill	USDA proposal			Aiken Act			Anderson bill		
		1950	1951	1952	1950	1951	1952	1950	1951	1952
Cotton	\$0.2723	\$0.2776	\$0.2783	\$0.2874	\$0.2214	\$0.2114	\$0.2119	\$0.2588	\$0.2387	\$0.2392
Wheat	1.94	1.86	1.85	1.92	1.70	1.62	1.54	1.84	1.73	1.65
Corn	1.41	1.45	1.45	1.52	1.07	1.04	1.04	1.35	1.15	1.15
Tobacco	.422	.487	.490	.501	.428	.433	.429	.453	.459	.455
Milk	3.51	3.56	3.54	3.63				3.39	3.36	3.35
Chickens	.250	.245	.242	.248						
Eggs	.472	.386	.383	.392						
Beef cattle		14.20	14.03	14.37						
Hogs	15.90	16.00	16.00	16.51						
Lambs		15.50	15.25	15.67						
Rice	1.78				1.95	1.95	1.95	2.06	2.06	2.06
Peanuts	.105				.0999	.0945	.0893	.0999	.0945	.0893
Potatoes	1.07				1.02	.97	.94	1.02	1.02	1.00
Wool					.432	.432	.432	.457	.457	.457
Mohair								.407	.407	.407
Tung nuts								61.80	61.80	61.80
Flaxseed	2.47									
Soybeans	1.40									
Sweet potatoes	1.23									
American-Egyptian cotton	.3734									
Peas, dry field	3.06									
Beans, dry edible	4.93									
Turkeys	.211									

Mr. LANGER rose.

Mr. THYE. Mr. President, will the Senator yield for one question?

Mr. THOMAS of Oklahoma. I yield first to the Senator from North Dakota.

Mr. LANGER. Mr. President, it is my understanding that the distinguished Senator from Oklahoma is not going to offer Senate bill 1971.

Mr. THOMAS of Oklahoma. For reasons heretofore explained. We do not know enough about it. I would not want to ask the Senator to vote upon it. I would not want to vote upon it myself. If I may be permitted to complete my statement, I shall prepare the Senate, if I can, for a vote as soon as it can be had. We are not now prepared.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. With reference to the chart handed us by the able and distinguished Senator from Oklahoma, chairman of the Senate Committee on Agriculture and Forestry, I should like to ask him how he arrived at the totals which appear in the first line of the chart. Under the heading "USDA proposal," which is known as the Brannan bill, in the first column, the figure is \$23,224,000,000. Following that are shown the figures for the Gore bill, the Anderson bill, and the Aiken Act. I think I am somewhat familiar with the agricultural question. It certainly is most confusing to me when I look at this particular statement in the chart which has been laid before the Senate. I cannot understand in what manner the able Senator arrived at the figures which he has presented.

Mr. THOMAS of Oklahoma. The question submitted by the Senator from Minnesota prompts me to suggest that if he will call the office of the Secretary of Agriculture and get in contact with

Mr. John Baker, he will explain any of the figures. Mr. Baker has been an expert in that Department for years. He comes from the great State of Arkansas. I would not say that he is the chief economist, but he is a general economist. He prepared these figures. If the Senator wishes to ask any questions about them, I suggest that he call Mr. Baker. Mr. Baker will be glad to come to the Senator's office and explain them.

Suffice it to say that the questions already asked on the floor of the Senate justify my refusal to place the Brannan bill before the Senate for a vote. I do not believe that any Senator is satisfied in his own mind that he knows enough about the Brannan plan to pass upon it. For that reason I do not ask the Senate to vote on it as a substitute measure.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. In view of the fact that the chairman of the Committee on Agriculture and Forestry has pointed out that no Member of the Senate is sufficiently familiar with the Brannan plan to vote intelligently upon it, does not the Senator think it would be well to instruct the Secretary of Agriculture to present his plan to the Senate, so that we may be informed?

Mr. THOMAS of Oklahoma. That shows how little we know about this matter. He has submitted his proposal to the Congress. I have introduced the bill. I have referred it to a subcommittee. The subcommittee held hearings all summer. It has not made a report on the bill. What further can I do?

Mr. WILLIAMS. Evidently the members of the subcommittee are familiar with the plan, and have rejected it.

Mr. THOMAS of Oklahoma. They have made no such report.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement with respect to how the various bills will apply to cotton. This will be especially interesting to Senators who represent cotton-producing States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Possibilities re Government's 1950 cotton loan rate if end-season parity price were to be same as at present

ITEMS		Cents
(1) Parity price, per present formula-----		30.01
(2) Parity price, per Aiken formula-----		26.71
(3) Parity price, per Anderson formula-----		28.24
(4) Transitional parity price-----		28.51
PER GORE BILL		
Parity price, per present formula-----		30.01
90 percent of parity-----		27.01
(5) Premium of $\frac{1}{16}$ inch over $\frac{7}{8}$ inch-----		1.62
Loan on Middling $\frac{1}{16}$ inch--		28.63
PER ANDERSON BILL		
Transitional parity price-----		28.51
90 percent of transitional parity price-----		25.66
(5) Premium of $\frac{1}{16}$ inch over $\frac{7}{8}$ inch-----		1.62
Loan on Middling $\frac{1}{16}$ inch--		27.28
PER AIKEN BILL		
		Bales
(6) Estimated total supply for 1950-51-----	19,900,000	
(7) Estimated normal supply for 1950-51-----	15,300,000	
		Percent
(8) Supply percentage-----	130	
(9) Support level (61 by 120 percent)-----	73	
		Cents
Transitional parity price-----	28.15	
73 percent of transitional parity price-----	20.81	
(5) Premium of $\frac{1}{16}$ inch over $\frac{7}{8}$ inch-----	1.62	
Loan on Middling $\frac{1}{16}$ inch--	22.43	

NOTE.—(1) As reported each month by the BAE. (2) Item (1) price minus 11 percent. (3) Item (2) price plus 5.74 percent, or item (1) price plus 5.74 percent minus 11 percent. (4) Item (1) parity price minus 5 percent. This transitional parity price is to be used under Aiken and Anderson bills so long as it is above the Aiken and Anderson parity prices. (5) Average difference so far this season between Middling $\frac{7}{8}$ -inch and $\frac{1}{16}$ -inch cotton at the 10 southern markets. (6) Based on August 1, 1950, estimated carry-over of 8,300,000 bales, estimated 1950 crop of 11,400,000, and imports of 200,000. (7) Based on 1949-50 estimated consumption of 7,800,000 and exports of 4,000,000 giving total distribution of 11,800,000 plus 30 percent of this figure for carry-over approximates 15,300,000. (8) Total supply shown under the Anderson and Aiken bills are based on the assumption that crop controls will be in effect on the 1950 crop.

(From the New York Cotton Exchange Weekly Trade Report, October 10, 1949.)

Mr. THOMAS of Oklahoma. Mr. President, I must leave in the next few minutes. When the Senate reconvenes in January, if I am here—and I expect to be, because I have been here for a long time—my first act will be to set the

Brannan bill for hearings. Hearings will be begun before the committee, if the committee is agreeable. After we have held all the hearings we need, it may be necessary to take the committee or the subcommittee out through the country to see what they think about the Brannan plan.

In that connection, I should like to submit for the RECORD a petition which I received yesterday morning from my State. The petition comes from a county in my State which is devoid of Democrats. Senators may be surprised to know that we have a county in Oklahoma that is devoid of Democrats. A major county in my State has never elected a Democratic official, to my knowledge. So far as I know, there are no Democrats in that county. If there are any there, they must be good ones. Otherwise they could not stand what they have to face.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

We, the members of the junior class of the Fairview Farmers Union, Local No. 266, hereby urge you to do everything in your power to bring about the acceptance of the Brannan farm program this session of Congress.

Nancy Ann Clovis, Rosemary Dolezal, Dolores Dolezal, Kathleen Kouba, Dolores Yeck, Gary Bornemann, Donald Bornemann, Betty Boorsma, Harriett Estep, Velta Jo Schein, Norma Jean Palmer, Agnes Palmer, Donie Lee Baker, Harry Heupel, Fred Biller, Allan Taylor, Helen Louise Dolezal, Darla Jean Hinricksen, Karen Kay Boorsma, Jackie Maine.

Mr. THOMAS of Oklahoma. The county seat is Fairview, Okla.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. What the Senator from Oklahoma really is doing, as I understand—and let me say that I come from a consumer State and an industrial State—is asking the Senate to take the Anderson plan, so-called, which as I understand is a permanent farm bill, and presumably, at least, consider replacing that bill within the period of 1 year with another plan.

Mr. THOMAS of Oklahoma. The Senator is a mind reader; he could not come to another conclusion if he understood the situation as I understand it. The so-called Gore bill, if passed, would extend the present 90-percent support prices for a year, and that is all. The Anderson plan would extend support prices on a 90-percent basis for 1 year, and then perhaps vary them. So after a year the whole matter will be opened up again, and the farmers and others will be contending for a permanent program. I propose to give them one if I can.

Mr. SALTONSTALL. But the Anderson plan is a permanent one, as I understand it.

Mr. THOMAS of Oklahoma. But after 1950, under the allocation of land, in connection with the Anderson plan, the support prices may change. So the plan may vary.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. Will the Senator tell us whether the Senate Committee on Agriculture and Forestry has taken a vote on the Brannan plan?

Mr. THOMAS of Oklahoma. No vote has been taken, to my knowledge, except to report the committee's own bill. The committee reported its own bill, which is separate from the Brannan bill. I am not complaining; I am supporting the Anderson bill, and I want it passed and agreed to in conference, if that can be done. But it will be for only 1 year.

Mr. DONNELL. I understand that the Senate committee voted on the Brannan plan, and that no member of the committee voted in favor of it. Am I correctly informed as to that?

Mr. THOMAS of Oklahoma. My memory may be in error; but so far as I know, no vote was taken on the Brannan bill. No report was made on the Brannan bill.

Mr. LUCAS. Mr. President, there are a number of Senators, on both the Democratic and Republican sides, who have to be at a conference at the White House at 12:45 p. m., on a very important matter. Of course, all Senators who go to the White House at that time desire to vote upon this bill. I wonder whether unanimous consent can be obtained to have the Senate vote on the bill and all amendments thereto at 2:30 o'clock this afternoon.

Mr. TAFT. Mr. President, reserving the right to object, let me say that I have an amendment which I should like to offer, and I should like to speak regarding it for about 30 minutes, altogether. Subject to that, I have no objection to an agreement to have the Senate vote at 2:30 or 3 o'clock.

Mr. LUCAS. I propose that the vote be taken at 2:30 o'clock.

Mr. TAFT. Or at 2:30 o'clock. I wish to make a few remarks on the Brannan plan, and it will take me about 15 minutes to present the amendment.

Mr. LANGER. Mr. President, reserving the right to object, let me say that conferees are meeting on the pay bill at 2 o'clock. Would there be objection to having the vote taken at 1:45 p. m. today?

Mr. LUCAS. Those of us who are to go to the White House might not return by that time. However, I am willing to agree to that time.

Mr. WHERRY. Mr. President, in order to accommodate the two Senators who are to present amendments—I understand that the Senator from Delaware [Mr. WILLIAMS] and the Senator from Ohio [Mr. TAFT] have amendments which they wish to present—of course, we wish to allow sufficient time for them. I wonder whether any other amendments are to be offered.

Mr. HOLLAND. Mr. President, I should like to be heard briefly on the Brannan plan, before the vote is taken.

Mr. ANDERSON. Mr. President, I have a small amendment which relates to cotton acreage. The amendment is now at the desk. It will take about 5 minutes.

Mr. WHERRY. Mr. President, I wonder whether the Senator will agree to have the Senate vote at 2 o'clock.

That will give 15 minutes beyond the time suggested by the Senator from North Dakota.

Mr. KNOWLAND. Mr. President, reserving the right to object, let me say I do not intend to object, provided some arrangement can be made in regard to a division of the time.

Mr. CAPEHART. Mr. President, I should like to have about 10 minutes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. In connection with the unanimous-consent request, I should like to ask the Senator whether there is to be an understanding in regard to a division of the time. If there is to be a division of the time, I suggest that the time be controlled by the distinguished Senator from New Mexico [Mr. ANDERSON], who is in charge of the bill, and some other Senator, to handle the time for the proponents of the amendment.

Mr. LUCAS. Of course, the time will be divided. I would suggest that it be divided by the Senator from Ohio [Mr. TAFT] or the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Pennsylvania [Mr. MYERS]. But the exact details in that connection do not make much difference.

Mr. President, I ask unanimous consent that the Senate proceed to vote upon the bill and all amendments thereto by 2 o'clock this afternoon, and that the time be divided between the distinguished Senator from Massachusetts [Mr. SALTONSTALL] and the distinguished Senator from Pennsylvania [Mr. MYERS].

The VICE PRESIDENT. Is there objection?

Mr. HUMPHREY. Mr. President, reserving the right to object, let me say that I should like to find out whether any time is to be allowed for those of us who may not wish to have the Brannan plan kicked around. I understand there will be some comments contrary to the Brannan plan. There are some of us on the floor of the Senate who feel somewhat sympathetic to the aims and objectives of the Brannan plan. Will time be provided for an expression of that opinion?

Mr. LUCAS. I am sure the Senator from Pennsylvania will be generous with the Senator from Minnesota.

Mr. HUMPHREY. And also with any colleagues?

Mr. LUCAS. And with any colleagues who wish to answer complaints as to the Brannan plan.

The VICE PRESIDENT. Without objection, the requirement for a quorum call will be waived.

Is there objection to the unanimous-consent agreement proposed by the Senator from Illinois?

Mr. CAPEHART. Mr. President, let me inquire whether I correctly understand that the proposal is to have the Senate vote at 2 o'clock; and, if so, I should like to ask again the names of the Senators who will divide the time.

Mr. LUCAS. My suggestion is that the time be divided by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Pennsylvania [Mr. MYERS].

Mr. SALTONSTALL. Mr. President, reserving the right to object, I wish to say that I would be glad to sit down with the Senator and make up a list of all Senators who wish to speak, and assign time to them accordingly.

Mr. TAFT. Mr. President, reserving the right to object, let me say that I shall wish to take about 25 minutes. I hope that much time can be assigned to me in some way.

Mr. CAPEHART. Mr. President, reserving the right to object, let me state that I wish to have about 10 or 15 minutes.

The VICE PRESIDENT. If the agreement is entered into, Senators who wish to speak, of course, will consult with the Senators on either side who will be in charge of the time.

Mr. LUCAS. Mr. President, in view of the statements made, I think the original suggestion of 2:30 is probably better. I modify my request accordingly.

The VICE PRESIDENT. Is there objection to the unanimous-consent request, as modified?

Mr. WILLIAMS. Mr. President, reserving the right to object, let me say that I wish to be sure that I have about 15 minutes in which to present my amendment.

Mr. LUCAS. I have just added another 30 minutes, by proposing that the time be 2:30 p. m. I am quite sure that all Senators, on either side of the question, who wish to speak will have an opportunity to speak between now and 2:30 p. m. today.

The VICE PRESIDENT. Is there objection to the unanimous-consent request, as modified? The Chair hears none, and it is so ordered.

From now on the time is divided, until 2:30 o'clock. At the present moment no Senator has the floor. Under the unanimous-consent agreement the time between now and 2:30 p. m. is divided between the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Pennsylvania [Mr. MYERS]. No Senator can speak unless he is yielded to by either of those Senators.

Mr. TAFT. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Ohio; and if so, for how long a time?

Mr. SALTONSTALL. I yield to the Senator from Ohio not more than 25 minutes, and I hope he will not require more than 20 minutes.

Mr. TAFT. Mr. President, I sent an amendment to the desk.

The VICE PRESIDENT. The Senator from Ohio is recognized for 25 minutes.

Mr. TAFT. It will not be necessary to have the amendment read, since it is on the desk, except that where the term "5 years" appears, I have changed it to "3 years."

Mr. TAFT's amendment, as modified, is as follows:

At the end of the bill add the following new section:

"SEC. —. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of appropriations, each bank for

cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of grain storage structures in amounts up to a maximum of 90 percent of the cost of such grain storage structures, as approved by the bank for cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the bank for cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease such grain storage structures when completed for a period of at least 3 years."

"(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of appropriations, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of grain storage structures in amounts up to a maximum of 90 percent of the cost of such grain storage structures, as approved by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease such grain storage structures when completed for a period of at least 3 years."

The VICE PRESIDENT. The Senator from Ohio is recognized for 25 minutes.

Mr. TAFT. Mr. President, I offer the amendment which I send to the desk.

It will not be necessary to have the amendment read, because the amendment is on the desk, except that where the term "five years" appears, I have changed it to "three years."

The amendment offered by Mr. TAFT is as follows:

At the end of the bill add the following new section:

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"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of appropriations, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of grain storage structures in amounts up to a maximum of 90 per centum of the cost of such grain structures, as approved by the Bank for Cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease such grain storage structures when completed for a period of at least three years."

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by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease such grain storage structures when completed for a period of at least three years."

Mr. TAFT. Mr. President, I want to say a few words on the general subject of the Brannan plan and the general question of farm price supports. I have talked, I think, probably to two hundred or three hundred farmers in Ohio within the last month. Ohio is a great farming State. I think it is today fifth in the value of products sold by the farmers. The sales of farm products in Ohio exceed \$1,000,000,000 a year, and therefore the farmers from Ohio are certainly qualified to speak and have a right to be heard on this question.

The problem of the Ohio farmer is different from the general problem affecting wheat and cotton farmers. Of the total Ohio farm production, 25 percent is dairy products; 25 percent, hogs; 20 percent, beef and poultry; and the remainder consists of crops of different kinds. Seventy percent of all our farm products are animal products. We consequently have perhaps a different point of view from those who want high grain prices. The Ohio farmer is not interested in high grain prices and is generally more interested in the profitability of the feeding industry.

Mr. President, I have had difficulty from the beginning with the whole problem of support prices. I feel, however, that support prices for farm products at some level are justified on two grounds. In the first place the farmer sells in a free market; that is, the market in which he sells fluctuates away up and away down. The ordinary industrial products are sold practically on an inelastic price scale; to a certain extent they vary, of course; but they do not vary as the farmer's scale does. It is quite possible that the bottom may drop out of the farm market completely. That actually occurred in 1913, and the farmers were left without purchasing power. I think that in order to secure some equality, some insurance against the extremes of the free enterprise system, a minimum is justified, on very much the same basis as the minimum wage, on very much the same basis as we have unemployment compensation.

Furthermore, I think that, unless there is some such protection, a serious depression is likely to be precipitated. One of the things we want to prevent is such a depression. Our friends in Russia are thoroughly convinced that the capitalist system has within it the seeds of its own destruction because of the extreme freedom of that system, and I believe we have to temper the system somewhat in order to prevent extremes from occurring.

A slight decrease in demand and a slight increase in supply might have a very material effect on farm prices, so that a slight recession, bringing about such a condition, might very easily com-

pletely destroy farm purchasing power and turn a recession into a depression. I have therefore felt that the general theory of support prices is sound.

On the other hand, the theory contemplates only a minimum. It is not, and cannot be, a theory that the Government must fix the price at a fair figure. It seems to me inevitable that if the Government attempts to fix, so to speak, a fair price, it is price fixing. It is no longer protecting against a certain minimum. It is undertaking to fix the price of farm products. If the Government should undertake to fix the price of farm products, it would have to go on and fix the price of all products before it got through, and we would have a completely regulated economy.

Certainly this much is true, that we cannot proceed on the theory announced by Mr. Brannan, of paying the farmer what is a fair price, and then selling to the consumer for a low price. Under our system what is a fair price to the farmer must be a fair price to the consumer. If the Government can buy a commodity at the support price and can dispose of it at that price to the consumer, then I think there is no interference with the free-enterprise system. But if the Government undertakes to buy at a high price and to sell at a low price, and to charge the difference to the taxpayer, in the first place it is a fraud on the farmer and the consumer who are supposed to get benefits because they are taxpayers, but who will have to pay for the benefits which they receive. It seems obvious to me, therefore, that it is impossible to undertake deliberately to buy at a price which cannot be realized on a resale. It seems to me it would be possible to try to have the consumer pay a fair price, but I do not think it possible deliberately to buy at a price at which the product cannot be resold. Incidentally, it is very expensive. It is in effect a consumer subsidy, and the consumer subsidy in Great Britain today, where exactly this thing is done, is costing the British the sum of approximately \$2,000,000,000 a year, which in this country would represent a cost of \$6,000,000,000 a year to the taxpayers if carried out to the extent to which the British carry it.

In the second place, the difficulty with trying to fix a fair price, the Government guaranteeing a fair price, is that inevitably the Government must impose controls; it can not do otherwise. That question arose in connection with the full employment bill, under which we were requested to guarantee every man a job. Surely, every man ought to have a job. Surely the farmer ought to have a fair price. But if we say the United States Government shall guarantee it, then it can only guarantee a job to a man if the Government is willing to assume complete control of employment and tell every man where his job shall be.

Exactly in the same way, if we are to try to fix a price which the farmer is entitled to, that is, a fair price, inevitably controls must be imposed, because the farmer cannot be encouraged to go on

and produce surplus after surplus. The Brannan plan recognizes that. So that it is repugnant it seems to me to the very basis of our entire system. I am convinced we are where we are today because we do not have controls, because we do not have price fixing, because we do not have wage fixing.

The British today are completely controlled, and they are a complete failure so far as their production is concerned. The United States today has the highest production of any country in the history of the world, the highest productivity per person, I think because of the liberality of our free system. I have no question that is the reason for it. That is why we have the highest standard of living. It applies to the farm just as much as to any manufacturing industry. I went to a farm in Medina County, Ohio, 3 days ago. The man who was running the farm cooperated with the Department of Agriculture in the Soil Conservation Service. He adopted strip planting. He has increased the production of the farm 100 percent since he started 10 years ago. His farm today is supporting 40 cows, whereas it then supported 20. He did it by proper methods, and he is entitled to the reward of his efforts and of his increased production. The farmer's ultimate solution is not a limitation of production, it is an increase in production. That does not mean that at times he may not overproduce temporarily, and that control may be needed now and then, just as a manufacturer exercises control by shutting down his plant. But certainly the basis for farm prosperity can only be the increase of farm production, just as the basis of industrial prosperity is the increase of industrial production. If there is provided for the farmer a guaranteed price, or a fair price—and it is admitted he should have a fair price—it can be done only by fixing the price and taking full control of production, until in the end the Government will tell every farmer not only how many acres he shall plant but how many hogs he shall raise, how many cattle he shall feed, how many chickens he shall raise, and how many eggs he shall produce. It is done in England today, where there is complete control of every farmer. He is told exactly what he shall raise and what he shall not raise.

I know that within 4 weeks I have talked to 200 farmers in Ohio, if not many more, including many of the leading agricultural men in Ohio, and I have yet to find one, outside the AAA, who is for the Brannan plan. It is a little difficult to say exactly what the Brannan plan is, but they are so strongly opposed to universal control that they are skeptical about any very high guaranteed price.

The 90-percent guaranty has produced wheat-acreage control and may produce corn-acreage control. A farm in Ohio which has rotation of crops is completely upset by having the acreage of wheat limited. Of course it benefits a man who has not pursued proper soil-conser-

vation practice. If he has been raising more wheat than he should raise, he gets a quota for his wheat. If a farmer has deliberately held down his wheat production and built up his soil, he gets a lower acreage allotment of wheat, lower than the amount necessary to conduct a proper rotation of crops on his farm. As I gathered it, the farmers' principal feeling is against control. I do not know that that applies to one-crop States, but that certainly is the position of the Ohio farmer.

I feel very confident, therefore, that we shall make a mistake in placing controls so high that we cannot avoid production controls at every step. Obviously, under the Aiken plan there are production controls at times, but the effort is to control production out of the price. That is the way it has always been done in a free economy and it is the way it should basically be done. We reach points at which temporary controls are needed, for a year or two, and I think farmers are quite prepared to accept them, but they do not want to accept a plan which would substitute a Government price-fixing system which, in the end, I believe, will do more harm to the farmer than it will do good. I do not believe the farmers whom I represent want any such plan. The solution of their problem is increased marketing. The chief problem is to get rid of the crop, just as every manufacturer has to find a market for his product.

There are various plans proposed. We are spreading \$8,000,000,000 around the world today for the purchase of various commodities. Certainly some part of it could be used here to buy our agricultural surplus. We would not need more than \$2,000,000,000 to take care of the agricultural surplus. But if we let the other nations use all the money we give them to buy Canadian wheat, the Canadians will probably spend some of those dollars with us, but for the purchase of manufactured goods.

The farmer does not have the selling organization which the manufacturer has. I have heard it said that the trouble is that people are buying automobiles instead of meat. On nearly every page of the magazines they read they find advertising of automobiles, and there is very little consolidated advertising of farm products. If we can increase the consumption of animal products, I think 5 percent of the animals will eat up all the grain surplus which exists, and it will benefit the farmer as well as the country at large.

So, without discussing the exact percentages in the bills, I think a farm price support program is justifiable if it is not so high as to force the control of agricultural production. I cannot think of anything which would be more to the detriment, ultimately, of the farmers of the United States, than the control of agricultural production.

Mr. President, I have presented an amendment requested by the Farm Bureau Federation of Ohio. It provides, roughly, that the Bank for Cooperatives shall have the power to make loans to cooperative associations

for storage elevators up to 90 percent, instead of 60 percent. If we are going to have loans to support prices, we must have storage. Today, under a recent act, the Commodity Credit Corporation is building cribs all over the State of Ohio. They are metal cribs and are constructed in all sorts of places, at all sorts of railroad stations. The Corporation is transferring to those cribs the corn on which they loaned money last year. Those cribs provide dry storage, but it is the universal opinion of all the farm experts I can find in Ohio that that kind of dead storage will almost inevitably result in the spoiling of the grain which is stored there. Ohio grain has much more moisture than is contained in grain grown farther west, and this is not a very practical method of storing. Furthermore, if there are to be storage facilities constructed at Government expense, they ought to be owned by the farmers. The loans will be paid off. If the farmer is going to have to store his grain ultimately, it seems to me that it is better to have the storage facilities owned by the farmers than by the United States Government under the present program.

The amendment would require the Commodity Credit Corporation to store for 3 years—I have changed the 5 years to 3 years—in order to give the farmers a start, and enable them to get the payments going. In general, the farmers would have to get together 10 percent in order to match the 90 percent, and then they would be able gradually to pay off the balance.

In Ohio, until last year, we had never stored very much grain. I think it is estimated that at least 60 percent of the farmers were wholly unable to take any advantage of the loans until last year. In certain sections of Ohio, especially in the northwestern part of the State, there is a surplus of wheat, and the farmers received 35 cents a bushel less for their wheat than was received in other sections. The Commodity Credit Corporation is now putting up the storage cribs to which I have referred, at Government expense. If we are going to spend Government money we had far better loan it to persons who will ultimately own the storage and will ultimately repay the loans.

Therefore, Mr. President, I hope my amendment may be accepted by the Senator in charge of the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. The Commodity Credit Corporation did have full authority to assist the farmers to provide storage facilities, did it not?

Mr. TAFT. Yes. It was never thought of until just before the election, and it was then too late. Previous to that there was no program to provide storage, and the Administration had not intended to provide it, but since the election they have been very much concerned.

Mr. AIKEN. They told the farmers that the Eightieth Congress prohibited it. That was not true.

Mr. TAFT. That is what I understand. I understand, also, that they disposed of many storage bins which they had up to within a short period before the election, when it was suddenly realized that they had to reverse themselves and acquire more storage.

Mr. President, I hope that my amendment may be accepted and taken to the conference and considered by the House of Representatives.

The so-called bank for cooperatives now has the right to loan 60 percent. The RFC has the right to loan 90 percent to private organizations, if it wishes to do so. It cannot loan to cooperatives, because the bank for cooperatives was established for that purpose. Private citizens can borrow from the RFC up to 90 percent, but cooperatives can borrow only up to 60 percent. Large numbers of individual farmers are prepared to form small cooperatives to provide storage for themselves.

Mr. SALTONSTALL. Mr. President, in the name of the Senator from Pennsylvania [Mr. MYERS] and myself I yield 20 minutes to the Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator from Florida is recognized for 20 minutes.

Mr. HOLLAND. Mr. President, I desire to speak briefly upon the hearings which were held by the subcommittee of the Committee on Agriculture and Forestry of the Senate upon Senate bill 1971, which was the bill introduced by the chairman of the Senate committee to carry out the so-called Brannan plan. Those hearings were extensive. They were held on S. 1971 principally, but also on S. 1882. The predicate for the hearings was two appearances by the distinguished Secretary of Agriculture, Mr. Brannan. An opportunity was given for every witness who wished to be heard upon the Brannan plan, either for it or against it, to be heard at length. The reports of the subcommittee which conducted the hearings contain 394 pages of testimony taken. The subcommittee consisted of the distinguished Senator from New Mexico [Mr. ANDERSON] as chairman, also the distinguished chairman of the full committee, the Senator from Oklahoma [Mr. THOMAS], as a member, as well as the Senator from North Carolina [Mr. HOEY], the Senator from Vermont [Mr. AIKEN], the Senator from North Dakota [Mr. YOUNG], the Senator from Minnesota [Mr. THYE], and the junior Senator from Florida [Mr. HOLLAND].

Mr. President, I would not like to have the RECORD make it appear that anything less than the fullest hearing that was possible was given to the so-called Brannan proposal. The hearing extended for as many days as witnesses appeared who wished to be heard, and those witnesses were heard in full.

I wish to make it clear also that at the termination of some 6 or 8 days of hearings, when no further witnesses appeared or asked to be heard upon either side of the Brannan program, the sub-

committee took a vote and decided by unanimous action of the subcommittee not to report the Brannan plan, S. 1971, to the full committee, but instead to endeavor to bring out a bill which would be nearer what we felt would be approved not only in the Senate, but in the House, the House having already passed the so-called Gore bill.

I may say that, insofar as the expressions which were made by members of the subcommittee were concerned, I understood that every member of the subcommittee, consisting of seven Senators, was opposed to the Brannan plan.

Mr. President, I think it should appear in the RECORD, and it is for that reason that I make this statement now, that the subcommittee particularly asked for the advice and reactions of the responsible agricultural groups of the Nation toward the so-called Brannan plan, and that we received the reactions of those responsible groups through the testimony of their duly delegated officials.

For instance, President Kline, of the American Farm Bureau Federation, testified at length in opposition to the Brannan plan. I wish I could quote him more fully, but I think the RECORD should show as quotations from him the seven specific objections which he advanced for his organization, far flung as it is, to the Brannan plan. I therefore read that portion of the testimony of Mr. Kline into the RECORD. It is found on pages 207 and 208 of the report of the hearings before the subcommittee. I quote:

The following are among the more obvious objections to the Brannan plan and that part of S. 1971 which would implement it:

First, under the Brannan proposal, the farmer's only hope for a fair income would depend on Government hand-outs from annual appropriations by Congress. We maintain that it is unreasonable to stake the welfare of agriculture upon such a hazardous possibility.

I recall at this time, outside of the quotation, that in this very session of the Congress we have found important appropriation bills languishing unpassed almost 4 months after the time when they should have been passed, that is, at the beginning of the fiscal year, July 1 last past.

I continue the quotation:

Second, the cost of the program would be staggering. It is a well-known economic fact that the demand for most agricultural products is such that an increase of a given percentage in supply makes a greater than proportionate decrease in price. This means that a 15-percent increase in supply does not produce a 15-percent decrease in price, but more likely results in a drop of 20 to 25 percent.

Mr. President, I digress long enough merely to say that everyone who knows anything about farm marketing knows that when we start marketing surpluses the price received for them tends to fix the price of that which should have been marketed just to meet the demand of the consumers.

I continue the quotation:

Because of this factor, a year or two of vastly expended uneconomic production, stimulated by synthetic prices, might well drive farm prices in the market place so low as to result in all the farmer's net in-

come, and more, being tied up in his ability to get a Government check. This doesn't involve just the farmer's ability to build a new kitchen or buy a new car. This is concerned with his capacity to feed and clothe his own family. Here is the basis for real regimentation. Furthermore, there is no good reason why the Government should pay part of the grocery bill of every citizen.

Third, price goals of the plan, including direct payments to farmers, of course, are so high as to make for certainty of continuous and rigid controls over production and marketing. We are convinced that more freedom of choice for farmers would result in a better allocation of resources, and more efficient farm production.

Fourth, the plan, which promises high per-unit returns—including direct payments to farmers—cheap food, and moderate tax costs, would actually result in low farm prices and high food costs when the inevitable and excessive tax costs are included. All human experience indicates that whenever Government undertakes to make the decisions on which volume and quality of production must depend, the result is inefficient and costly production, with constantly increasing Government subsidies.

Fifth, the proposal would place a ceiling on opportunity in agriculture. This, in turn, would result in penalizing efficiency. Food prices eventually would reflect this inefficiency. We view unit limitations as a dangerous precedent—an opening wedge which eventually would result in Government supervised and stabilized agricultural poverty.

I read that again, "We view unit limitations as a dangerous precedent—an opening wedge which eventually would result in Government supervised and stabilized agricultural poverty."

Sixth, the plan discards the fair-exchange concept of parity, which has been the basis of farm programs since 1933, and substitutes therefor a new and untried concept which might conceivably result in unsatisfactory farm income as the dislocations of war recede into the past.

Seventh, the unusual procedure employed in creating this plan and presenting it to the public has had the effect of throwing the farm problem into the partisan political area, a situation which we deplore and condemn.

It is our intention to continue to work aggressively for a farm program which will best serve the industry of agriculture, regardless of partisan political considerations. In the future, as in the past, sound farm legislation will depend on the best efforts of both political parties.

Mr. President, not only did we have the statement from the head of the National Farm Bureau Federation, but we also had statements from the heads of numerous farm bureau federations in the States. I shall not attempt to cite all of them in the RECORD, but there are some excerpts from their testimony which seem to me to add to the statement of Mr. Kline, and I quote briefly from them. First, on page 215 of the printed record, I quote from the testimony of Mr. Schenck, president of the Indiana Farm Bureau Federation:

If you are going to give the farmer a good price and the consumer cheap food, you are going to have to regiment every business engaged in the handling of that food from the time it leaves the farmer's hands until it reaches the ultimate consumer. I wanted to impress that fact upon you, because I think it is much more far-reaching than merely recommending regimentation of the farmers' activities.

I read next from the statement of Mr. Walter L. Randolph, president of the Alabama Farm Bureau. I read from page 217 of the hearings as follows:

The Brannan plan means more and more Government control. It is nearer to those who seek totalitarian collectivism than to those who believe in the inviolate individual soul.

Mr. President, there are other statements by Mr. Randolph which I should like to read to the Senate, but time does not permit me to do so.

I read next from the statement of Mr. Charles B. Shuman, president, Illinois Agricultural Association, Chicago, Ill., as his statement appears on page 222 of the hearings:

I want to further emphasize too, the danger of the unit limitation. Mr. Kline's statement said that it placed a ceiling on opportunity and efficiency in agriculture. Undoubtedly on livestock farms in this country that unit limitation could be used soon as a ceiling on efficiency.

The great danger in my mind is that it would be used as a means of reducing production, and when you start to roll back agricultural efficiency by limiting the size of the farm family operation—I am not talking about large corporations but when you start to limit the size of a farm family operation, then you start on the road that a lot of other nations have gone down, by limiting the size, the efficiency and the opportunity in agriculture.

Mr. President, there are more statements of the same kind from Farm Bureau Federation officials.

I come next to the statement of Mr. Albert S. Goss, master of the National Grange, which appears on page 263 and following of the committee hearings. I am sorry I cannot read more fully from Mr. Goss' statement, but the time limitation will not permit. First I quote from his statement as follows:

We believe in an economy of plenty. Every step of progress civilization has made has been marked by greater consumption of goods and services. We cannot attain high standards of living in a world of shortages.

I quote further from Mr. Goss' statement:

While we believe in protecting the farmers from the impact of surpluses, we do not contend that farmers who persistently produce more than can be used of any commodity should be protected in such practices.

I quote further from Mr. Goss:

The farmer who persistently produces more than can be used does not contribute to the general welfare as much as he might under a sound production program, and is not entitled to the protection that should be accorded farmers who endeavor to produce intelligently and adjust their production to the Nation's needs as far as practicable. Farmers who do so produce, are entitled to compensation in proportion to the service they render. We believe that farmers are entitled to receive this compensation through the regular channels of trade, and that marketing practices which do not return fair compensation for the service rendered are unsound and should be corrected. We do not believe the public should expect to get its food at less than cost, or at less than reasonable price. We think the farmers' services deserve a fair price at the market place. We resent any program which would set him apart as one whose services need not be compensated at their full worth, and we don't

want to go to the Treasury for part of our compensation.

I continue to quote from Mr. Goss:

Subsidies are degrading. Once started they are most difficult to end. They are attended by a serious element of risk in the possible failure to secure sufficient appropriations. This is recognized in the bill before us which provides protection for certain crops, and for a second category of crops if, and only if, the appropriations provided by Congress are adequate. If subsidies become a part of farm income, farmers would be induced to vote for those who promise the biggest and juiciest subsidies, even though they might be opposed to many of the basic principles for which such candidates stand. Democracy cannot live if its citizens demand of Government more than Government can normally give. There are too many people today expecting support of one kind or another from Government and too many election campaigns are waged on promises of such support. We do not want to see farmers placed in this class.

I again quote Mr. Goss' statement. Mr. President, I am sorry I cannot quote more fully from his statement, because it is certainly excellent and to the point. I read from his statement as follows:

If food prices are maintained at below cost by means of paying 5 or 10 billions out of the Treasury, we may well be assured that we, the consumers of the Nation, will pay much more than 5 to 10 billion dollars in excessive costs of the goods and services we buy, and our purchasing power will be reduced by that amount. Possibly one-half of our people do not need the reduction in food prices, and the savings which they would make thereby would not add anything to their purchasing power because they already purchase everything they want. Nevertheless furnishing them their food below cost, along with others, would add to the prices on other things which poor people would have to pay, and millions of people of low income would have to do without things they would otherwise buy, while industrial output would go down because of the lack of purchasing power on the part of the people who really need the goods industry has to offer.

I read further from the statement of Mr. Goss:

We have gone into such length in stating our reasons why we are opposed to a program of selling food below cost, and supporting the farmers by subsidies paid from the Federal Treasury, because it is basically wrong. It is a dangerous trend of the times which we must have enough stamina to stop. It is a trend which has wrecked the economy of France, and is rapidly wrecking the economy of the United Kingdom. It is a product of the most dangerous political philosophy which plays on class prejudices and individual selfishness, and which sacrifices patriotic statesmanship to class politics. We want none of it.

* * * * *

The example of other nations which have followed such courses should be argument enough to prevent our going further down the road of having the Government support us and order our lives.

We use the phrase "order our lives" advisedly. When we enter into any such complicated methods of Government controls there must, of necessity, be extensive authority granted to the administrator. In studying S. 1971 we were struck by the number of cases in which the Secretary was given authority to make decisions and in many instances determine policies. We ran through the bill to note how many there were, and if we made no mistakes in our count, found 115 such cases exercised by someone if such a program is to be carried out.

I quote once more from Mr. Goss:

If the purpose of the measure is to provide a completely controlled agricultural economy, we believe the production payments and their use as outlined in this bill would constitute about as effective a means as anything reasonably possible to devise. For the reasons set forth earlier in this statement, however, we believe that the use of production payments would be costly and the whole program of controls and subsidies would increase the cost of living, result in less consumption and lead to a general break-down in our economy.

In addition to these statements by the two leaders of the most important and responsible farm agencies in our Nation, we have in the record of the hearings a statement by the secretary of the National Cooperative Milk Producers Federation, Mr. Charles W. Holman. For his important organization he completely opposed the Brannan plan.

We have also in the record a statement made by Mr. John H. Davis, executive secretary, National Council of Farmer Cooperatives. Incidentally, just after Mr. Davis appeared before the committee, his directors took action to oppose vigorously the Brannan plan, and I am advised that the American Institute of Cooperatives, the other big cooperative, took the same action.

That, Mr. President, is the history of the kind of showing that has been made on behalf of the producing farmers of the Nation through their responsible elective officials, showing their resentment at what they consider to be regimentation, which would place them in a position of receiving periodically a hand-out by the Government, which will determine whether or not they may remain in such position as to take care of their families.

Mr. President, one organization appeared in favor of the Brannan plan. How much more time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has one more minute.

Mr. HOLLAND. I should like to quote from the statement made by the representative of that organization. It was the National Farmers Union. That organization was represented by Mr. Glenn T. Talbott, chairman of its executive committee, and president of the North Dakota Farmers' Union. I wish I had time to quote more liberally from the testimony of Mr. Talbott, but I want to make it clear that the basic philosophy which manifests itself in his testimony, given for his organization, is the share-the-land and share-the-wealth philosophy, and the casual reader of his statement cannot escape that conclusion. For instance, I read the following from his statement which appears on page 234:

The Farmers' Union has proposed a commodity unit system which would give full support to real family farmers, those whose gross incomes now average roughly \$12,500 or below a year, and would give less support, by volume of production, to the larger farmers.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Mr. President, I ask that I may have one more minute to conclude.

The PRESIDING OFFICER. Without objection, the request of the Senator is granted.

Mr. HOLLAND. I call attention to the fact that that organization asked for more regimentation instead of less; for a smaller limit than that proposed by S. 1971, namely, \$12,500 gross income on a family farm.

Coming back to Mr. Talbott, he stated, as appears from page 245:

Going back beyond the point that you mentioned, I should like to have our position completely clear, my own and that of the organization. We should like to see the kind of farm program legislation, call it what you will, sufficiently punitive—

I call attention to the words "sufficiently punitive"—

on the industrialized type of agriculture to make it unprofitable for the 90,000-acre Tom Campbell farms in wheat, with hired men for 30 days in the spring and another 30 days in the fall. That land then would be available to hundreds of family-type farmers who might find a home and a way to make a living on that land.

We are seeking there to deal with the problem of population pressure on the land which is probably not going to get better, because geographically and physically we cannot make more land available. I want our position to be perfectly clear about that. That is what we seek.

We do not like that type of agriculture. We want those kinds of land resources available. We want the men and women and children who are willing to work on them to be able to make a home on them and to become a part of a good sound rural community in America.

That is the testimony of the responsible head of the only farm organization in the Nation which appeared to support the philosophy of the Brannan plan. I think the RECORD should show that the subcommittee did conduct fair and extensive hearings, and that it was the unanimous feeling of the subcommittee, based upon the hearings, that the Brannan plan should not be favorably reported.

Mr. HUMPHREY. Mr. President—
The PRESIDING OFFICER. The Senator from Minnesota is recognized for 20 minutes.

Mr. HUMPHREY. Mr. President, in the few minutes allotted to me I wish to review some of the debate which has taken place not only with reference to the Brannan plan, but also with reference to the Anderson program and the various amendments which have been offered. I shall deal with one amendment in particular.

My position on the parity formula has been made quite clear in these debates. I have stood for 90 percent of parity. A critical examination of the record of the parity formula over the past years shows conclusively that whenever there was less than 90-percent parity provided for farm commodities, or whenever the price level of farm commodities fell below 90 percent of parity, the American farmer found himself in financial distress. I still say to Members of the Senate that this is an observation which has not been answered. I distinctly remember the distinguished senior Senator from Georgia saying that he did not want to deal with statistics. To be sure, one cannot eat them; but

the simple fact is that whenever farm prices have gone below 90 percent of parity in reference to what the farmer must pay for the goods he needs for his family and his farm, the farmer has been in economic trouble.

It may seem to some that what we are talking about is the mere statement that one small group in America find themselves in financial distress. However, it has been brought out, without contradiction on this floor, that the farm economy is the foundation-stone of a sound American economy.

I shall repeat at this time the statement which I made a week ago. Every depression this country has known in the past 75 years has been born in the Farm Belt, because of depressed farm prices. That was true of the depression or recession of 1920 and 1921. It was also true in 1907. It was also true in 1931, 1932, and 1933.

I invite the attention of my colleagues to the fact that in 1932, at a time of low farm prices, the average farm commodity had a parity ratio of 55. In other words, the prices of farm commodities averaged 55 percent of parity. That is only 5 percent below the low minimum of the act of 1948. I ask any reasonable person to form his own judgment as to what a 60-percent parity ratio would mean to America. It would mean ruin, lack of jobs, unemployment, business bankruptcies, and farm-mortgage foreclosures.

The other day, in reviewing my material, I started with 1920 and 1921. From 1917 to 1920 we had a parity ratio of more than 100, and the farmer made money. Businessmen made money. In 1921 we had a parity ratio of 75; and I should like to have anyone produce evidence that the farmer prospered in 1921-22. The beginning of the depression of the 1930's was in 1921-22, when we had mortgage foreclosures, when the farmers hauled their commodities to market at ever-descending prices, when the farmers of America went deeper into debt, and small businesses were being liquidated by the hundreds of thousands.

The recession of 1921 and 1922 was more intense, more vigorous in its application to small business and farmers, than any other recession in the history of the country. It was catastrophic.

From 1921 to 1940 there were two periods in which we had a parity ratio of 90 or more. We had it in 1925 and again in 1928. The records reveal that those were the only 2 years when the farmers made a profit. Some people may want to fool around with the American farm economy, but, personally, I do not. I am unwilling to ignore the plain facts of agricultural economics. I am unwilling to close my eyes to the cruel lessons of history. The farmers of America cannot endure low prices—they cannot endure farm prices of 60 percent of parity, of 75 percent of parity, or of any percent below a minimum of 90.

I have heard a great deal about the question of cost. I want Members of the Senate to figure out the cost of a depressed agriculture. It is estimated that the cost of the depression was approximately \$300,000,000,000 in lack of income

to the American people, loss of production, and loss of employment. That cannot be laughed off. This country was almost wrecked, primarily because we had 9-cent corn, 25-cent wheat, and \$2.50 to \$3 hogs. Yet in 1932 we had a parity ratio of 55 percent.

In 1926 we had an 87-percent parity ratio. In 1926 two-thirds of the banks in North Dakota and South Dakota closed their doors. By 1930 two-thirds of the banks in the State of Minnesota had closed their doors. Some people forget that. I do not know what comes over us to make us forget the troubles of the past and how they started.

The distinguished Senator from Oklahoma [Mr. KERR] pointed out that there is a direct relationship between farm income and industrial wages. That has not been disputed. As farm income goes up, so do industrial wages. Today the senior Senator from Oklahoma [Mr. THOMAS] pointed out conclusively in the debate that there is a direct relationship between farm income and national income. For every dollar of farm income there is \$7 of national income. No one can dispute that. We have had the best national income we have ever had in peacetime, under a 90-percent parity program. That program yielded results to the farmers, the businessman, the corporation, and the Government.

We talk about money. How are we going to pay for these things? I want to know how we are going to pay for a 75-percent parity program if the farmer does not have enough money to pay his taxes. I predict that if there is a decrease in farm prices on the basis of this flexible parity program, we shall find such a sizable depreciation in the revenues of the Government that the loss which will result because of the flexible parity program will be 10 times the loss which would result from a 90-percent parity program. A high parity program means revenue—revenue for the farmer, for the worker, for business, and for the Government. A low parity of 75 or 85 means trouble—trouble to the American economy and trouble to the Federal Treasury. Ninety percent of parity has not cost this Nation one dime, it has yielded millions and millions and millions of dollars in good business. Seventy-five percent of parity, 80 percent of parity, or 85 percent of parity will bankrupt the American farmer. A plan providing for 75 percent of parity will simply be telling the American farmer that he can get by on 75 percent of what we can get by on. Even those of us who favor providing for 90 percent of parity are not so generous; we are merely telling the American farmer, "You can get by on 90 percent of what we can get by on."

Mr. President, another argument which has been presented is the cost of storing surpluses. It is said that we cannot afford to store agricultural commodities. We are told to look at the surplus commodities already in storage. Very well, Mr. President; but let me ask where we would have been in 1941 and 1942 if the granaries of this country had not been stored full of crops on which there were Government loans. That was at a

time when our allies needed food. Those materials were critical materials. Of course we are willing to appropriate billions of dollars for the stock piling of strategic minerals, but I cannot find very many Members of Congress who are willing to appropriate a few hundred millions of dollars for the stock piling of strategically needed foods. Frankly, Mr. President, now that Mr. Nehru, Prime Minister of India, is visiting in the city of Washington, if we have any surplus wheat, I know where it can be well used to stop Joe Stalin. Let us send it to India or give it to India. Perhaps by doing that we shall avoid having to spend billions of dollars on atomic bombs, perhaps to be used some time to protect our freedom. Food can be used both as an instrument of peace and an instrument of war.

Mr. President, we are beginning to hear talk about how expensive the farmer is. But the only time he is expensive is when he is broke, and the only time he is broke is when he receives less than 90 percent of parity for the crops he produces. I defy anyone to prove to the contrary. That is a broad defiance and a broad challenge. Instead of talk, I ask anyone to present actual facts and figures to show me to the contrary, to show where the farmers have been able to get by with less.

Now a word about the Brannan plan. I should like to support it, but I agree with the Senator from Oklahoma that we have not had all the information we need about it. I am in favor of its broad economic philosophy. I may not go along with it entirely, in respect to crossing every "t" and dotting every "i," but I do support its basic philosophy.

Under the Brannan plan there are to be loans, acreage allotments, and controls, as we now have them under the Steagall amendment and under the basic act of 1938. Where does the Brannan plan move in a new direction? It does so in regard to perishables and non-storables. Where does the hue and cry come from today in opposition to the price supports? It arises in respect to eggs and potatoes. Why is that? Because we do not have a formula by which we can properly store those commodities and at the same time make them available to consumers at prices which the consumers can afford to pay. The Brannan plan gives us that formula.

Mr. President, we have heard a great deal of talk to the effect that no one is in favor of production payments. Let me say, without fear of successful contradiction, that the president of the American Farm Bureau when testifying before the House committee, when he was questioned by Representative PACE, of Georgia, said he was in favor of production payments. But when such a plan was called the Brannan plan, he said he was not in favor of it. Mr. President, that is politics; it is not agricultural economics.

The distinguished Senator from Vermont [Mr. AIKEN] is absolutely correct, for he said on the floor of the Senate again and again that production payments are provided for by the Aiken Act. They are limited by the amount

of money made available, but they are provided for. So production payments are nothing revolutionary, nothing fantastically new. Production payments simply are payments made directly to the farmer, which means that instead of paying twice, the American taxpayer will pay only once. Today we pay high taxes, plus high prices in the consumer market. Under the Brannan plan, taxes will not be increased, but there will be lower prices in the consumer market.

Mr. President, I know why some persons do not like the Brannan plan. They do not like it because it is the first plan which points clearly to the identity of interest of the American workers and the American farmers. Let us not kid ourselves, Mr. President. We can have good prices for the farmers and reasonable prices for the consumers. We can have that situation under production payments, and at no more cost than the cost at the present time—and at less cost, really. At the same time we encourage the development of family-sized farms and diversified farming with soil conservation practices.

I submit that the Brannan plan will provide a program by which the farmer can have a good income and at the same time the consumers can be supplied with a great variety of foods, at prices which they can afford to pay.

I repeat that in the case of the so-called basics—cotton, wheat, corn, tobacco, and rice—there is little or no difference between the Brannan plan and the present plan. But when it comes to dairy products, milk, chickens, turkeys, ducks—many of them coming from New York, as was discussed by my friend the Senator from New York [Mr. Ives]—and when it comes to the perishable commodities which today are a problem because they cannot be stored, the Brannan plan is the answer, on the simple basis of establishing a parity price for those commodities. Under the Brannan plan the farmer will sell his commodities in the normal market, and the law of supply and demand will establish the market price. The difference between the price the consumer pays, namely, the market price, and the price the farmer should receive for his products, namely, the parity price, will be paid by a direct production payment. Is there anything wrong with that, Mr. President? Certainly there is something wrong with it if Senators do not believe the farmer should make a decent living or if there is a desire to keep the farmers and the workers divided. I think there is a good deal of that kind of politics on the part of certain Senators on the other side of the aisle. The Republican Party has won a good many elections on the basis of persuading the worker that the farmer is his enemy, and persuading the farmer that the worker is his enemy. In that connection the philosophy of the Brannan plan which demonstrates that workers and farmers have an identity of interest is good medicine and sound economics. It joins together the farmer and worker or, better to say, the farmer and consumer, in a program that provides support for the producer and fair prices for the consumer.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an analysis of the Brannan plan which has been made by a good farmer, Representative FRED MARSHALL, representing the Sixth District of Minnesota. His family have been in Minnesota for over 100 years and they have been recognized as one of the leading farm families in the Midwest. He formerly was a member of the State Agricultural Adjustment Administration committee and was State director of the Farm Security Administration, and he defeated Mr. Knutson. Mr. MARSHALL knows the farmer and his business. He will take a back seat to no one when it comes to agricultural legislation. Believe me, Mr. President, in his statement, which I now submit rather than to take the time of the Senate to read it, Representative MARSHALL has given a fine analysis of the Brannan plan.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MARSHALL DISCUSSES BRANNAN LONG-RANGE
FARM PROGRAM

Farmers and farm leaders are watching each new development this week involving recommendations made by Secretary of Agriculture Charles Brannan for the country's long-range farm program. The basic outline of the plan has been presented to the Committee on Agriculture, which will continue extensive hearings on its major principles when Congress convenes again on April 25. As a framework for practical farm legislation, the Brannan plan deserves serious consideration from every person interested in the future economy of this Nation. The interdependence of the farmer, the worker, and the businessman is reflected in these recommendations to a degree seldom paralleled in any past farm legislation.

Basically, the new program is designed to reduce the retail price of food and at the same time maintain a parity of income for the farmer. In other words, plenty of food at prices people can pay, plus a fair return to the farmer. The farmer would receive production payments, loans, and purchase agreements to make up the difference between the support price for commodities and the average selling price of these commodities in the market place.

Most significant is Brannan's emphasis on the family sized farm. It is part of his effort to halt the increasing industrialization of farming. He realizes that the backbone of rural America is the farm family and that the backbone of our economy is the family farm. Under the proposed plan, the parity of income formula would apply only to the family sized farm, which is defined in the program as any farm producing under 1,800 units for marketing. A unit is simply a common scale of measurement for all commodities under support. The basic unit would be 10 bushels of corn. Other comparative units are based on this, so that a unit of hog would be 76 pounds and a unit of whole milk would be 346 pounds. A farm eligible for participation in the program would then be one with production of not more than 1,800 of such comparative units.

Brannan reverses the present procedure and starts his computations from an income level fixed for the farmer on the basis of average annual purchasing power of cash receipts from farm marketings for the years 1939 through 1949. The base period would move forward each year to reflect the changes in farm costs and average income during the most recent 10-year period. The schedule of price supports is arrived at by comparing the average farm prices for the 10 preceding

years to the average level of cash receipts from farm markets as this is related to the current income support standard.

In a government of formulas this is actually a fairly simple one, and, since income must be our ultimate concern, it would seem to be a realistic one. It sets a minimum level under which it would be dangerous to let farm income drop. From experience we know that in times of depression farm income drops the farthest first and comes back to normal last. By attempting to stabilize this income we tend to stabilize other segments of our economy because farmers are industry's best customers and industrial workers are the farmer's best customers.

Under the Brannan plan farmers will need to practice sound soil conservation and comply with whatever programs are necessary to curtail wasteful production and disorderly marketing. This is rightly based on the principle that the farmer is a trustee of our soil and is expected to safeguard its productivity for future generations. It is difficult to see that any widespread control or limitation would be necessary at a time when consumption can be increased by allowing market prices to seek their own level on the basis of supply and demand. While maintaining reserve supplies against crop failures and national emergency, and with increased consumption at home and growing world markets, it should minimize the danger of wasteful production or disorderly marketing. Also, the proposed plan would not give the Secretary of Agriculture a single power which he does not already possess under present laws.

It is difficult to estimate the cost of such a program since we are always faced with the unknown quantities of weather, production, and markets. Mr. Brannan insists, however, that basing our estimate on existing circumstances during the past marketing year, it will cost the same amount we are spending on our present support program and in some instances, it will cost less. At the same time, the cost would be reflected in cheaper prices in the market place. Under present legislation the Secretary announced that he will buy pork and milk in the near future to support these prices on the market. Why can't that money be used to provide cheaper pork and milk for our people? This is the question we must be prepared to answer in considering the cost of this plan. We must compare the over-all effect of both programs as well as the costs of both programs. This will give us a true evaluation of the new plan.

FRED MARSHALL.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the Minnesota poll of Sunday, July 10, 1949, as printed in the Minneapolis Sunday Tribune. It is entitled "Farmers Tend To Favor Brannan Plan, But Many Are Undecided." The poll refers to Minnesota farmers. In that area the Farm Bureau is strong.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

FARMERS TEND TO FAVOR BRANNAN PLAN, BUT
MANY ARE UNDECIDED

A sampling of farm opinion throughout the State by the Minnesota poll indicates that among farmers who know something of the Brannan farm program, there is more sentiment in favor of the plan than against it. But almost half of them haven't yet formed any opinion about the program.

In the State as a whole, including city and town residents as well as farm people, opinions are almost evenly divided on the Brannan proposals. But the indecision even among Minnesotans who know about the

Brannan plan (only 37 percent of the State's adults recall having heard or read about it) signifies that there has been no crystallization of State-wide opinion about the program.

When farm people are asked which they would choose if given the chance—(a) the Brannan idea of a guaranty of fair income for farmers, provided they comply with crop controls, or (b) no income guaranty, but freedom from Government controls—they lean toward the guaranty of income.

In announcing the Truman administration's farm program several months ago, Secretary of Agriculture Charles Brannan said it was designed to reduce prices to consumers on such things as meat, milk, poultry products, fruits and vegetables, by letting market supply-and-demand factors determine prices. At the same time, farmers would receive Government payments to cover the difference between lower market prices and the amounts which the program said they should receive.

To be eligible for payments, farmers would have to agree to comply with Government crop control programs and to cooperate in soil conservation work.

Hotly debated since its announcement, the Brannan plan has become one of the major issues before the Eighty-first Congress.

Minnesota poll interviewers asked a representative cross section of men and women 21 years of age and older, in all parts of the State:

"Have you heard or read about the Brannan plan, the administration's proposed new Federal farm program?"

The answers:

	All	City	Town	Farm
	Percent	Percent	Percent	Percent
Yes.....	37	32	34	47
No.....	58	65	61	44
Don't recall.....	5	3	5	9

Those answering "yes" then were asked:

"From what you have heard or read up to now, would you say you are inclined to be in favor of the Brannan plan or against it?"

The replies:

	All	City	Town	Farm
	Percent	Percent	Percent	Percent
In favor.....	10	10	8	14½
Against.....	11	11	10	10
No opinion.....	16	11	16	22½
Total knowing of program.....	37	32	34	47
Haven't heard of plan; don't recall.....	63	68	66	53
Total.....	100	100	100	100

These are the principal explanations offered by people who are inclined to support the Brannan plan:

"It would give all farmers a fair price;" "I'm afraid if farm prices tumbled too much, we would have another depression;" "it would give farmers an equal purchasing power with the rest of industry;" "it will help the small farmers;" "it guarantees the farmers an income."

Those who tend to oppose the Brannan program say:

"It's too much socialism;" "I don't like subsidies;" "I like to run my own farm;" "It's too costly for the Government to support;" "the difference will be made up in taxes;" "there's too much Federal control in this country—soon they'll socialize everything;" "it takes away our liberty."

Democratic-Farmer-Laborites lean toward support of the plan; independent voters are divided in sympathies; and Republicans are inclined to be opposed to it, the survey indicates.

The final question was asked only of farm people interviewed throughout the State. Each was handed a card bearing two statements, and interviewers asked:

"The Brannan plan calls for a guaranteed fair income to farmers, provided they comply with Government crop programs. If you yourself had the choice, which of these would you take?"

The two choices were stated in this manner:

1. The guaranteed income, on condition you comply with marketing quotas, acreage allotments and other Government programs.

2. No guarantee of income, but freedom to plant any crops and any acreages you wanted, regardless of Government programs.

The farmers' replies:

	Percent
Would take guaranty of income.....	46
Would take freedom to plant.....	39
Undecided.....	15

More than half of the farm people belonging to farm organizations choose the No. 1 statement. Farmers who do not belong to any organization are divided about evenly in their preferences.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article from the Duluth Herald for May 9, 1949. The title of the article is "State Farm Income Drop Is Viewed With Concern."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRTY-THREE MILLION SIX HUNDRED AND EIGHTY-ONE THOUSAND DOLLARS LOWER—STATE FARM INCOME DROP IS VIEWED WITH CONCERN

WASHINGTON.—Minnesota farm income is dropping, and members of the State's congressional delegation are concerned.

There is divided opinion whether the new farm plan proposed by Secretary of Agriculture Brannan offers a remedy.

Minnesota cash farm income in 1948 reached the all-time record of \$1,356,883,000, and present indications are that that record will stand for some time before it is again reached.

For instance, Minnesota farmers during the first 2 months of 1949 received \$184,123,000 from crops, livestock, and its various products. This is a drop of \$33,681,000 from the \$217,804,000 they received in the first 2 months in 1948.

There is nothing in the present picture to indicate that the story will be any different the rest of this year. Some experts say the down trend in agricultural prices will continue.

The 1948 total of \$1,356,883,000 for State farm income represented the top of a trend that was on during the war years and afterward. Each year since 1944 the total has been up.

In 1944 the State farm income total was \$803,280,000. In 1945 it went to \$859,238,000; in 1946 to \$1,057,468,000; in 1947 to \$1,344,108,000.

These increasingly larger income figures for Minnesota farmers all came while the present support program was in effect.

This support program calling for a guaranty of at least 90 percent of parity on most major crops, will continue through 1949, and, unless Congress changes signals, will be replaced in 1950 with flexible supports varying from 60 to 90 percent of parity.

The Brannan plan is a drastic change from both of these programs. Its main feature provides that prices of farm commodities would be permitted to drop to a natural level decided by supply and demand, with the Treasury paying farmers for the difference between these prices and a Government-determined support level.

It is aimed at providing lower food prices to consumers while keeping farm income high.

Thus Minnesota Members of Congress, as well as those from the other States, are faced with deciding which of the plans to support.

Reactions of the Minnesota Members to the Brannan plan:

Senator EDWARD J. THYE (Republican), of Northfield: "It would involve the greatest regimentation ever placed on the American farmer. There are no accurate estimates, but the cost apparently would be tremendous. It is our duty, however, to give it close study and scrutiny."

Senator HUBERT H. HUMPHREY (Democrat), of Minneapolis: "I favor the general principles of this proposal. It is designed to aid the consumer and at the same time keep farm income high."

Representative AUGUST H. ANDRESEN (Republican), of Red Wing: "It is fantastic. It would depend on the ability of the Government to collect increased taxes from the farmers and others to reimburse the farmers. With the farm income going down, the tax income will be materially reduced."

Representative JOHN A. BLATNIK (Democrat), of Chisholm: "I am in favor of its general principles."

Mr. HUMPHREY. Mr. President, in conclusion, let me state what we are faced with. The House has passed the Gore bill, which provides for 90 percent of parity. The Senate has before it the Anderson bill, which the Senate will pass. I think it is a decided improvement over the Agricultural Act of 1948. I wish to commend the committee for the fine work it has done in reference to the so-called nonbasics, the nonstorable commodities. The Senator from Minnesota [Mr. THYE] and I proposed an amendment to broaden the provisions with reference to the nonstorable commodities. We have been told now that the nonbasics—oats, turkeys, hogs, beef, barley, flax, poultry, eggs, and rye—have been covered by the Anderson plan. I wish to place that statement in the RECORD, because that is what we have been told. It is our understanding that the Anderson bill provides 75 to 90 percent price supports for these commodities.

Mr. President, for one more year we shall have 90 percent of parity, under the Senate bill. I say that shows that those who have been writing farm legislation are not quite convinced that they have the right formula, because, believe me, if 90 percent of parity is too expensive in 1949, it is not going to help in 1950, either. Frankly, they are so uncertain as to the flexible program that they have got to have one more year of rigid price supports, as they call them, 90 percent of parity.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. May I have one more minute in which to conclude?

The PRESIDING OFFICER. Without objection, the Senator may proceed for 1 minute.

Mr. HUMPHREY. I wish to see this one more year devoted to the further study of the objectives and philosophy and the economic program of the Brannan plan. I do not think anyone is prepared to say the Brannan plan today is a final answer, but I submit that the Brannan plan offers a program, it offers

us a practical alternative, it offers us a sound basis upon which to measure a long-range agricultural plan which gives a guaranty in price support for the basic commodities, and at the same time provides an effective price support for the perishable nonstorable commodities, provides an income for the farmer that will make him a productive individual in our society, and assures a price for the consumer that will encourage the consumption of goods. Some people may say it cannot be true, that we simply cannot have so many good things all in one package.

Mr. President, I submit that the best way to find out about it is to try it. It is possible to have it all in one package. The Republican Eightieth Congress said it could be had all in one package.

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. KEFAUVER. Mr. President, when the Magnuson amendment was being considered it was stated that Senators did not know the position of the National Farmers Union. I have received a telegram from Mr. James G. Patton, president of the National Farmers' Union, which I should like to read into the Record. It reads as follows:

WASHINGTON, D. C., October 11, 1949.
Senator ESTES KEFAUVER,
Senate Office Building.

The National Farmers Union is opposed to the approval of the Magnuson amendment to the pending Anderson farm bill. We are strongly of the view that adoption of this amendment will seriously handicap the operation of the reciprocal trade-agreements program and urge that it be defeated. I hope it may be possible for you to read this telegram into the Record in today's debate so that the position of our organization may be made clear.

JAMES G. PATTON,
President, National Farmers Union.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. CAPEHART. Mr. President, I rise not to debate the merits or demerits of the pending bill. In anything I may say, I want it definitely understood I am not referring to the able Senator from Oklahoma [Mr. THOMAS], because I know he did not prepare the chart I hold in my hand. He, I think, stated for the Record who prepared it. But, until I came to the United States Senate, I never realized that it was possible for employees of the United States Government, and employees of the Senate, to do the things the gentleman did who prepared the chart I hold in my hand. There is an old saying, "figures do not lie, but liars can figure." I do not think that aphorism was ever truer than in its application to the gentleman who prepared this chart.

The chart proposes to show that, if we should pass the Anderson bill, the Nation would lose in national income \$57,000,000,000 in 1950. Should we continue with the Aiken bill, it would lose \$95,000,000,000; and under the Gore bill, \$12,000,000,000. I regret all Senators are not present, but I wish each Senator on the floor would take the chart which was distributed. I ask Senators to pay close attention to what I am going to

say. For example, the chart refers to the USDA, which, I understand, means the United States Department of Agriculture bill, more commonly called the Brannan plan. Why the name of the bill has been changed is something I shall never understand, but evidently its authors are ashamed of it. It is now called the United States Department of Agriculture bill, which further presumes to fool the American farmer and the American people. In the first column it is said that the total farm income under the so-called Brannan plan, would be \$23,000,000,000. It is made up of cotton, wheat, corn, tobacco, milk, chickens, eggs, cattle, calves, hogs, and lambs.

Under the Gore bill the chart shows a farm income of \$21,000,000,000, and, in addition to the items I have just named, there is a long list of other items. Under the Anderson bill the chart shows a farm income of \$15,000,000,000, and it includes the four commodities I have mentioned—cotton, wheat, corn, and tobacco—plus milk and a few other items. Under the Aiken bill the chart shows a farm income of \$9,000,000,000 and it includes cotton, wheat, corn, tobacco and a few other commodities.

Mr. President, how anyone could be so unfair, how anyone could be unethical as to prepare a chart such as I hold in my hand is beyond my comprehension. Under the Brannan plan the total of \$23,000,000,000 is arrived at by adding milk, \$4,000,000,000, chickens, \$577,000,000, eggs, \$1,774,000,000, cattle, \$3,328,000,000, hogs, \$2,484,000,000, and lambs, \$321,000,000. But under the so-called Anderson plan there is only one of those items listed, namely, milk, at \$3,900,000,000. Under the Aiken Act, none of those items is mentioned.

Talk about distortion of facts and distortion of truth. It is unbelievable. It is unbelievable that the intelligence of the United States Senate should be so insulted as it has been in the presentation of this chart. I shall state the facts. Take the same items, cotton, wheat, corn, and tobacco; under the Brannan plan as compared to the Gore bill, they are exactly the same. Comparing the Brannan plan with the Anderson bill, they are also approximately the same. Comparing it with the Aiken bill, they are about a billion dollars more.

Let us go to the bottom of the chart, where there is an apparent effort to make someone believe that the Brannan plan would bring in \$12,000,000,000 more national income than the Gore bill; that it would bring in \$57,500,000,000 more than the Anderson bill, and \$95,700,000,000 more than the Aiken law. That is on the sole premise that the American farmers would not sell—and, Mr. President, listen to this closely—would not sell a nickel's worth of milk in respect to the Aiken bill, a nickel's worth of chickens, a nickel's worth of eggs, a dime's worth of cattle and calves, a nickel's worth of hogs, a nickel's worth of lambs, or a nickel's worth of other items too numerous to mention.

It is claimed that under the Brannan plan the mandatory minimum price supports would be \$23,000,000,000; under the Gore plan, \$21,000,000,000; under the

Anderson bill, \$15,000,000,000; and under the Aiken Act, \$9,000,000,000. The chart in that respect is 100 percent correct. But under the Brannan plan, not under the Aiken Act, it shows \$4,000,000,000 in milk, \$577,000,000 in chickens, \$1,700,000,000 in eggs, \$3,250,000,000 in cattle, and \$2,500,000,000 in hogs. In the figures applying to the Aiken Act not a nickel's worth of credit is given to the American farmers for selling those items I have just mentioned.

Mr. President, if that chart was prepared by an employee of the United States Senate, or by an employee of a committee of the United States Senate, he should be discharged immediately. If the chart was prepared by anyone in the Department of Agriculture to mislead the United States Senate and to mislead the American people, he should be discharged immediately. I have never seen anything in my life so unfair, so distorted, so evidently intended to be unfair and distorted, so obviously insulting to the United States Senate and to the American people.

Why is it we cannot obtain the facts? Why is it that those who advocate the British type of socialism in America cannot be just as fair, honest, and above-board as other Americans are? Why do they have to distort the facts? Why do they have to present such charts as this, a chart so misleading as the one I hold in my hand? The very idea of saying that under the Aiken Act the American economy would suffer to the extent of \$95,000,000,000. The present total is only what? About \$250,000,000,000. The very idea of not giving the American farmer credit for selling a single gallon of milk, a single chicken, a single egg, a single calf, or a single hog, or any lambs or sheep. That is exactly what is contained in the chart. It not only shows the situation so far as the year 1950 is concerned, but also the years 1951 and 1952. There is a chart on the back which I believe to be fair and accurate, which gives the amount of mandatory support. I think it indicates the correct prices so far as bushels of wheat and corn are concerned.

Mr. President, I did not rise to debate the merits of the bill but I could not allow to pass unchallenged some of the statements which have been made and some of the figures given. I hope every farmer and every other American will realize how unscrupulous and unfair are those who would attempt to promote their own schemes by the manner in which they present their proposition to the American people.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. SALTONSTALL. Mr. President, in the name of the Senator from Pennsylvania and myself I yield 10 minutes to the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The Senator from South Carolina is recognized for 10 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened to the Senator from Indiana [Mr. CAPEHART], and I am forced to say that it is true that

the very mudsills of our economic structure are based upon the income of the farmers of the Nation. That being true, in the interest of the farmers of the Nation as well as those of my home State, South Carolina, I think it is time to rid the Congress of all this confusion of so many proposals for one objective.

We have the Anderson bill, the Aiken Act, the Brannan plan, and the Gore bill, all of which supposedly are for the benefit of the farmers. The time is running out in the Senate, and the farmers are losing patience. We must enact a bill now which will support the farmers, not only now and next year, but every year.

I have introduced a bill which would extend for 2 years 90 percent parity support for agricultural commodities. The present system has proven very beneficial to the farmers. Therefore, I believe the strict 90 percent parity program should be continued for two more years, especially in the face of the precarious economic conditions. In view of the fact that this has not met with approval in the committee, I am ready for the next best bill, the Anderson bill. I want to make the impression in the minds of the Senate that unless we get a favorable bill from the ones we have for consideration the Aiken Act will become effective on January 1, 1950, and I shudder to think of the consequences for cotton farmers if this law is permitted to operate. The farmers of our Nation do not want a temporary law. They want a law which will operate fairly and squarely this year and every year. The Anderson bill provides 75 to 90 percent of modernized parity, including farm labor, varying as the supply percentage varies from less than 102 to more than 130 with a price-support level of 75 to 90 percent. The Aiken Act provides only 60 to 90 percent, varying as supply percentage from less than 70 to more than 130.

The Anderson bill provides specific price support for commodities such as butterfat, milk, and other important commodities which are storable and declared nonbasic.

The provisions of the Anderson bill would in effect support cotton prices at 90 percent of parity during 1950. If increased support is necessary either to prevent or alleviate shortage in supply of agricultural commodities essential to national welfare or in the interest of national security, it can be done by the Secretary of Agriculture after a fair hearing.

The Aiken Act provides no increase, which is, in my mind, detrimental to the farmers. The Brannan plan requires long and extended hearings which would make it impossible for it to be passed during this session of Congress.

The Anderson bill provides that support prices may be announced prior to the beginning of the planting season and if at the beginning of the marketing year it develops that the announced prices are in excess of the maximum support prices otherwise permitted, support must be given at the announced prices. The Aiken Act, which would become effective on January 1, makes no such provision. The Anderson bill further provides that the Commodity Credit Corporation shall take no less than the current support

price plus 5 percent in the resale of the commodities.

The Anderson bill repeals the restriction of the Aiken Act with respect to the price support for poultry and the use of Commodity Credit funds to support prices of perishable commodities. No similar provisions are contained in the other bills.

The Anderson bill would amend the definition of normal supply in case of corn as set out in the Aiken bill by providing for a 10-percent allowance, in lieu of a 7-percent allowance for carry-over.

The Anderson bill would permit the CCC to issue obligations in excess of its assets for the purpose of carrying out support programs directed by Congress. The other bills do not contain any similar provisions.

The Anderson bill provides that section 32 funds are to be devoted principally to perishable commodities. This provision is not contained in the other bills. The Anderson bill would also provide for an Assistant Secretary of Agriculture whose job it would be to dispose of surplus commodities acquired through price-support operations. He would ration these commodities to schools, hospitals, and to other institutions instead of letting them go to waste. This provision is not contained in the other bills.

In making out the parity formula the Aiken Act does not even include hired farm labor wages and it is not clear that wartime subsidies are taken into account.

Mr. AIKEN. Mr. President, will the Senator yield for a correction?

Mr. JOHNSTON of South Carolina. I shall finish in a moment, and then I shall be glad to yield.

The prosperity of our great Nation lies largely in the hands of our farmers and the prosperity of our farmers lies largely in our hands. They should receive 90-percent parity. If not that, then the Anderson bill is the best legislation for the farmers and for the country.

General prosperity is essential to a successful agricultural program. High production per man in the rest of the economy and a well-distributed real income are of utmost importance to farmers. This furnishes goods, for which farmers trade, and purchasing power to our customers. Farm surpluses over the years have always been surpluses in relation to effective demand, and not surpluses in the absolute sense of the word. The farmer can produce and he wants to produce, but he needs support prices. I think the Anderson bill is the best support we have in consideration at this time.

I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I understood the Senator from South Carolina to say that the Aiken Act did not take into consideration wartime subsidies.

Mr. JOHNSTON of South Carolina. I said it was not clear whether it did, in all instances.

Mr. AIKEN. It was made perfectly clear on the floor of the Senate at the time the bill was being considered. The Secretary of Agriculture absolutely refused to recognize the intent of Congress, and the only excuse he gave me was that

prices were going up and the consumers would not stand for any further increases in prices. That was a deliberate perversion of the intent of the law by the Department of Agriculture as the reason why it did not include wartime subsidies in figuring parity under the 1949 act. It persisted not only in considering wartime subsidies under the Brannan plan, but, in order to make those prices higher, it projected the anticipated prices for the year 1949 into the picture and thereby further deceived the farmers and the public.

Mr. JOHNSTON of South Carolina. Mr. President, I appreciate the statement of the Senator from Vermont, but he will have to acknowledge that even the Secretary of Agriculture doubted whether or not he could put it into effect.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SALTONSTALL. Mr. President, in the name of the Senator from Pennsylvania [Mr. MYERS] and myself, I yield 3 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 3 minutes.

Mr. AIKEN. Mr. President, my attention has been called to several tables which I understand were inserted in the RECORD earlier today by the Senator from Oklahoma [Mr. THOMAS] tending to show what income farmers might expect under the different proposed farm programs. I say this is the most misleading and distorted material I have ever seen offered for the RECORD in debate on any farm legislation. It shows the worst possible treatment the farmer could receive under the Agricultural Act of 1948, and the best possible income he could expect under the Brannan plan. This information is so misleading that it should not even be in the RECORD at all. It is a cheap political document; that is all it is.

Mr. President, I think it is time that something be done to keep our Department of Agriculture from degenerating into a cheap political machine, and oblige it to perform the duties it was originally set up to perform.

In effect, Mr. President, this is a threat by the administration to show that if the 1948 law is not changed the Secretary of Agriculture is going to withdraw supports from the major farm commodities, with the exception of the six basics, in defiance of the intent of the 1948 law. I think this kind of thing has gone far enough. I do not know whether or not the Secretary would do what is indicated. I do not know whether the administration would do it or not. When we realize that this administration did deprive the farmers of this country of hundreds of millions of dollars in the price of grain last year by misleading them and saying there was no storage for them, and that the Department had no authority to help them get storage, I cannot say they would not do the thing which this table implies. It is a thoroughly dishonest table that distorts the facts; it has no business in the CONGRESSIONAL RECORD, and I hope that anyone who reads the table will read my remarks concerning it.

Mr. MYERS. Mr. President, in the name of the Senator from Massachusetts

and myself, I yield 3 minutes to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, I understand an amendment will be called up shortly which would eliminate from the Anderson bill the 1-year provision extending price supports, at 90 percent of parity, on the basic farm commodities. I do not think it is necessary to discuss that amendment at length, because I believe it will be overwhelmingly defeated. No Senator, I think, wants to vote to bring about a farm depression in an election year.

Mr. President, I should like to point out a few things pertinent to the bill. There are very many who talk about farm price supports. I should like to have them talk a little about how farm prices have been depressed by governmental action. I shall deal strictly with wheat, in these 4 minutes time allotted to me because it is the subject about which I know the most. All during the war the price of wheat was held down by OPA and other Government action. In July or August of 1945 OPA was eliminated, but the controls over the price of wheat and other farm commodities continued after that. Following this action prices of farm machinery, automobiles, and most everything a farmer had to buy raised in price by 30 percent or more. All wheat had to be sold through the Commodity Credit Corporation.

In September, 1947, I was in Geneva attending the War Food and Agricultural Conference. All these forty-odd nations were trying to divide up the world short supply of wheat. Because of the limitation on exports, the price of wheat was held down all during that period. That was not enough to suit some of the extreme free enterprisers in Congress. The appropriations bill of 1948 contained a provision that there had to be a carry-over of wheat of 150,000,000 bushels. I was successful in the Senate Committee on Appropriations in having that reduced to 125,000,000 bushels, but that was defeated in conference with the House. The provision had a very depressing effect on the market. In fact, in my opinion it was largely responsible for the great drop in the price of wheat in February 1948, when the price of wheat dropped about 75 cents a bushel.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SALTONSTALL. I yield 30 seconds more to the Senator from North Dakota.

Mr. YOUNG. May I have 2 minutes more?

Mr. SALTONSTALL. I yield the Senator a minute more.

Mr. YOUNG. Mr. President, the surplus created by that amendment to the appropriations act is part of our problem today. The fact that we had to hold the wheat in reserve here and could not export it is a cause of part of the problem today.

I should like to point out, too, that the price of wheat makes little difference to the consumer. Out of the retail dollar spent on cotton goods the farmer receives, on the average, 12 cents. Out of the retail dollar spent on tobacco the

farmer receives 17 cents. Out of the retail dollar spent on bread, the farmer receives 16 cents. Out of the retail price of a suit of wool clothes costing \$75 the farmer receives only \$5.45, or 7½ percent. This spread between what the producer receives and what the consumer pays is of tremendous importance.

Mr. President, those are the things in which consumers are interested, and I invite those Senators representing consumers to take the opportunity to read the hearings held by the Senator from Iowa [Mr. GILLETTE] and myself looking into the extreme spread between what the consumer pays and what the farmer receives. It is significant that only two farmer Senators so far have taken part in these hearings. Other Senators should help in this investigation.

Mr. MYERS. In agreement with the Senator from Massachusetts, I yield 12 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, the purpose of my amendment is to strike out that section of S. 2522, the Anderson bill, which proposes to project the 90 percent rigid supports for certain basic commodities for another year.

The Russell-Young amendment, which the Senate has already rejected, proposed to extend in the indefinite future the 90 percent support formula level. The Anderson bill as it is now before the Senate proposes to extend this 90 percent formula for the calendar year 1950 on those commodities for which marketing quota or acreage allotments will be in effect. Already the Secretary of Agriculture has declared acreage allotments for wheat. The quotas for corn, rice, and cotton are expected to be announced shortly, and this will have the effect of projecting the 90 percent level of support on these basic commodities for another 12 months.

My amendment would strike out this proposed projection of the 90 percent support, and would allow the flexible formula as provided in the bill to become effective January 1, 1950, instead of January 1, 1951.

Many of the leading farm organizations have gone on record in opposition to the 90 percent support level on the basis that the high cost of the program would be prohibitive and would only serve to discredit the entire farm program. They know the taxpayers and consumers will eventually revolt against such a high support level. They also recognize that high supports would automatically require the placing in the hands of the Secretary of Agriculture of rigid controls over all farms. Already, during the past 12 months, under the 90 percent formula we have accumulated huge surpluses of farm products. For instance, during the past 12 months we have stored away in Government warehouses over 88,000,000 pounds of butter at a cost to the taxpayers of over \$55,000,000.

During the past year we have removed from the market and stored in Government warehouses more than 8,000,000 pounds of prunes, 2,500,000 pounds of raisins, nearly 200,000,000 pounds of peanuts, along with 180,000,000 dozen eggs which have been reduced to dried form.

In addition to these items, we have stored over 80,000,000 pounds of dried milk representing several million quarts of fluid milk which have been removed from the regular channels of trade along with many other commodities, including the much-discussed potatoes. Altogether a total of nearly \$3,000,000,000 worth of agricultural commodities are now being held in storage for lack of sufficient markets. Much of this will, no doubt, eventually be a total loss.

This program has not only had the effect of maintaining excessively high prices for the basic food items to the consumers, but has also resulted in the destruction of millions of pounds of good, edible foods.

In my opinion, there has not been and never will be any excuse for the destruction of good, edible foods, particularly so long as we have people in our own country who are actually hungry. I believe that we should have a sound farm program, but, in my opinion, the support price of any agriculture product should never exceed the cost of production except possibly during a period of national emergency when perhaps higher supports might be necessary to encourage increased production. The 90-percent support level was enacted during the war for this purpose of encouraging the farmers to increase their production. The Congress recognized that the sudden ending of hostilities could leave the farmers in an embarrassing position with high inventories. Therefore, they made the effective date of the termination of 90-percent support level to read 2 years after the ending of the war. At the last session of the Congress, when the Aiken farm bill was enacted, the Congress saw fit to extend to the farmers one additional year at the same 90-percent support level. This was to give them additional time to adjust their acreage. It was extended with the clear understanding, at that time, that effective January 1, 1950, the flexible formula, as provided under the Aiken bill, would go into effect. Very few of the farmers are now asking for any extension of this 90-percent support level.

During the recent political campaign much was said by both political parties expressing sympathy for the consumer, but during the discussion of this bill we have seen very little of this sympathy converted into action. This amendment might be termed both a farmer and consumer amendment, because by placing into operation on January 1, 1950, the flexible provisions of the Anderson bill we would lower the prices to the consumer and at the same time provide adequate protection for the farmer.

In the long run the farmer would benefit in that at last he would have a long-range farm program in actual operation.

Now is the time to take this farm support problem out of politics and enact a bill fair to both the consumers and farmers.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. As one who comes from an industries State, I ask, if the Anderson bill is right and fair to the

farmer and to the consumer alike, why should it not go into effect on January 1, 1950? That is the Senator's point, is it not?

Mr. WILLIAMS. That is the point, and I know of no reason why it should not go into effect at that time, unless, as the chairman of the Committee on Agriculture and Forestry [Mr. THOMAS] pointed out in his speech, they are only offering this Anderson plan as a temporary measure and with the understanding that next year the Anderson plan will be repealed and another plan proposed. Apparently they prefer to project this question into the 1950 campaign regardless of the damage it will do to the farmer.

Mr. MUNDT. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. WILLIAMS. Will the Senator wait until I finish my statement, and then I shall be glad to yield to him.

Mr. President, in urging the Senate to adopt this amendment, I know of no stronger argument that could be used in its support than to quote a statement which was made on October 7, 1949, on the floor of the Senate by the distinguished Senator from Illinois [Mr. LUCAS] at which time he quoted the Democratic platform as adopted in Philadelphia last year as endorsing the flexible price supports, not for January 1, 1951, after the congressional elections had been held, but endorsing them for January 1, 1950. I am reading from page 14387 of the CONGRESSIONAL RECORD of October 7, this year. At that time the majority leader said:

Much has been said in the debates about 90 percent parity and flexible price supports, and what the Democratic platform had to say about that in Philadelphia, I think the Senate should know. Here it is:

"We pledge our efforts to maintain continued farm prosperity, improvement of the standard of living and the working condition of the farmer, and to preserve the family-size farm.

"Specifically, we favor a permanent system of flexible price supports for agricultural products, to maintain farm income on a parity with farm operating costs," and so forth.

Please note the platform did not say the Democratic Party favored this flexible program in 1951. The Democratic National Convention favored it for the beginning of 1950.

The majority leader continued:

Mr. President, that is the platform about which we have heard much from the distinguished President of the United States during this session of Congress. Democrats have been talking about carrying out the platform which was laid down at the Philadelphia convention, and as one United States Senator in the campaign last year, the Senator from Illinois took the position that we meant what we said in that platform with respect to flexible price supports in the program of parity prices paid to the farmers.

Mr. President, I am looking forward this afternoon to having the support of the majority leader for my amendment. If we are ever to have a permanent agri-

cultural program, let us put it into effect now. If we project the effective date of this flexible formula until 1951, everyone knows the chances are they will never go into effect.

Already the chairman of the Agriculture Committee, with the backing of the Administrator, in his speech here this afternoon announced that beginning next January he will start hearings on another farm program to replace the Anderson bill which has not even as yet been enacted.

Mr. MUNDT. Mr. President, I think there are some Senators from the farming areas who want to comment on the Senator's amendment. Will the Senator yield to me now?

Mr. WILLIAMS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. WILLIAMS. I yield to the Senator from South Dakota for 1 minute.

Mr. MUNDT. Mr. President, I think it would be just as logical for Senators from the farming West to try to write a tax structure for the corporations of Delaware or Massachusetts, or a labor bill applying to the industries of those States, as it is for the Senators from Massachusetts and Delaware to try to write or wreck a farm program, for the bread baskets of America.

As one who expects to vote for the Anderson bill, not as a permanent farm program, but as an improvement over what we have, I think certainly we should retain the 90-percent provision until we can have satisfactory permanent farm legislation enacted. I urge the defeat of the proposed amendment to eliminate the 90-percent parity supports for next year's crops.

Mr. WILLIAMS. I thank the Senator very much for his observation and in reply I point out that the so-called farm area is already writing our tax bills. You have a majority on the Senate Finance Committee while the farmers in the East have but one representative on the Agriculture Committee.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I cannot yield to the Senator now. The Senator from South Dakota [Mr. MUNDT] just said that he did not believe the Senators from Massachusetts and Delaware were qualified to write an agricultural bill. Perhaps what he said is true. But I wish to point out to the Senator from South Dakota that the State of Delaware is a large producer of agricultural products and I particularly call his attention to the fact that the county in which I live ranks third highest in the production of agriculture among all the counties east of the Rocky Mountains. In agricultural production the county in which I live outranks any county in so-called farm areas in the Midwest, and particularly any county in the Senator's own State. Furthermore, a farmer in the East is just as important to the economy of this Nation as is a farmer in the West.

Mr. MYERS. Mr. President, in agreement with the Senator from Massachusetts [Mr. SALTONSTALL], I yield 1 min-

ute to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I should like to make a motion in which I believe the able Senator from Oklahoma [Mr. THOMAS] will concur. My motion is that the chart the Senator from Oklahoma placed in the RECORD earlier today, which he himself did not prepare, and which he did not have time to go over, be taken out of the RECORD and referred back to the Department of Agriculture which prepared it, with instructions to give the Senate full and complete facts and information. I offer that as a motion.

Mr. MYERS. Mr. President, I understand a unanimous-consent agreement has been entered into that votes on all amendments to the bill and the bill itself will be had at 2:30 o'clock this afternoon. Therefore, I believe the motion is out of order at the present time.

The PRESIDING OFFICER. The Senator from Pennsylvania is correct in his statement that voting on the amendments to the bill and the bill itself will begin at 2:30 o'clock.

Mr. CAPEHART. In other words, it is out of order for me to offer a motion at this time for the specific purpose I mentioned?

The PRESIDING OFFICER. It is out of order to vote on the motion at this time.

Mr. CAPEHART. Then I make the motion, Mr. President, to be voted on after the farm bill has been disposed of.

Mr. IVES. Mr. President, I merely wish to take a minute, and I wish to speak because of the statement made by my distinguished colleague the Senator from South Dakota [Mr. MUNDT]. I happen to come from the industrial east. My State forms an important section of the industrial east. It so happens that the State of New York is also a great agricultural State. I believe New York ranks seventh in the United States in agricultural production.

I want to say here and now that my farmers are in favor of a flexible price support program and are not in favor of this fixed price support program of 90 percent. We in New York State feel that the sooner we can have a program of flexibility put into force, believing as we do in flexibility, the better off we shall be.

My people do not believe in the fixed 90 percent provision in this bill. For those reasons, just as last year, I was disappointed over the fact that the Aiken law provided for a 1-year delay before becoming operative, so this year I am going to be disappointed again if the fixed price support provision is retained, and I oppose the attempt to delay the adoption of flexible price supports through the provisions in the bill as it now stands. For those reasons I support as strongly as I can the amendment offered by the Senator from Delaware.

Mr. MYERS. Mr. President, in agreement with the Senator from Massachusetts [Mr. SALTONSTALL] I yield 5 minutes to the majority leader.

Mr. LUCAS. Mr. President, I do not believe I will take that much time. I am

going to talk upon another subject than the farm bill for just a moment.

On yesterday the distinguished occupant of the Chair, the Senator from Colorado [Mr. JOHNSON] pressed me rather severely with respect to a vote upon the confirmation of the nomination of Leland Olds. At that time I advised the Senator and his colleagues, who are likewise interested in an early vote, that we would have a vote upon the confirmation of Mr. Olds' nomination in due course.

After giving the matter serious consideration, and in line with the suggestion made by the Senator from Colorado yesterday, it seems to me that probably a night session is in order so that the Senate may make disposition of the nomination of Mr. Olds. I am sure that that will be acceptable to the distinguished occupant of the chair who is the chairman of the Committee on Interstate and Foreign Commerce.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Does the Senator mean a night session tonight?

Mr. LUCAS. We shall have a night session for the discussion of the nomination of Mr. Olds.

Mr. IVES. Tonight.

Mr. LUCAS. Yes.

The PRESIDING OFFICER. Is a vote also contemplated?

Mr. LUCAS. I should like to conclude with a vote tonight. However, I shall be satisfied if we can obtain a unanimous-consent agreement to vote, say at 1 o'clock tomorrow.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MORSE. I should like to take a moment to protest the unanimous-consent agreement to vote at 2:30 this afternoon without a quorum call. I thought we had fought that issue out during this session of Congress two or three times. I thought there was a gentlemen's understanding that unanimous-consent agreements would not be asked for without a quorum call. I have worked cooperatively for months on the question of unanimous-consent agreements. I have agreed to one such request after another, following a quorum call. But in my judgment it is a violation of what I think was the general policy to enter into a unanimous-consent agreement this afternoon without a quorum call. It places me in the position of again declining to agree to such unanimous-consent requests.

Mr. LUCAS. Will the Senator withhold his objection for a moment?

Mr. MORSE. Certainly.

Mr. LUCAS. In behalf of my good friend from Oregon let me say that if he desires to speak on the farm bill or any amendment thereto, I shall ask unanimous consent that the previous unanimous agreement be set aside in order to give him the opportunity he desires.

Mr. MORSE. Mr. President, the Senator from Oregon is not objecting because of any desire on his part to speak. He is objecting to what he thinks is a very unsound practice of entering into

unanimous-consent agreements to vote, without a quorum call. I do not know how we are going to protect the interests and rights of Members of the Senate in the closing days, busy as we are, unless we are accorded the courtesy of a quorum call.

Mr. LUCAS. The only way I can protect any Senator who comes into the Chamber and interposes an objection, as my distinguished friend from Oregon has done, is to ask unanimous consent that the previous unanimous-consent agreement be set aside in order to give such Senator an opportunity to speak upon the pending bill or any amendment thereto. When we entered into the unanimous-consent agreement this afternoon to vote at 2:30, it was pretty well understood that almost all Senators had exhausted their remarks on the farm bill and the amendments thereto. I hope my good friend will not think that there was any real impropriety because of the unanimous-consent agreement which we entered into.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I will say to the Senator from Oregon, in justice to the majority leader and the minority leader, who was sitting in this chair at that time, that the Vice President, who was in the chair, assumed that the quorum call was waived, for the following reasons: At least five Senators, three from the majority side and two from the minority side, had an appointment with the President of the United States in 10 minutes; also there were a great many Senators in the Chamber. I realize that that is not a full answer to the Senator from Oregon, but in justice to the majority leader it should be said that the agreement was entered into very quickly for the reasons which I have stated. So far as the majority leader, the minority leader, and the assistant to the minority leader could see, all Senators who were particularly interested in the problem were in the Chamber.

Mr. MORSE. Mr. President, I simply wish to say to the Senator from Massachusetts that I do not think that is any answer at all, in any degree whatsoever.

Mr. LUCAS. Mr. President, objection has been made.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. Does the able majority leader have in mind that immediately following the vote on the farm bill we shall begin debate on the Olds nomination?

Mr. LUCAS. I am not so sure. I think there is one measure which we might dispose of before that. I thought perhaps we would have a night session to consider the Executive Calendar, beginning at about 5 or 6 o'clock. That would include discussion of the nomination of Mr. Olds. If we could obtain a unanimous-consent agreement for a vote tomorrow, that would be satisfactory; but objection has been made. We might well dispose of it tonight before we take a recess until tomorrow?

Mr. President, has my time expired? The VICE PRESIDENT. The time of the Senator from Illinois has expired.

The Senator from Vermont [Mr. ARKEN] is recognized for 1 minute.

Mr. AIKEN. Mr. President, the provision for a mandatory 90-percent support for crops under quotas or allotments for next year means mandatory 90-percent support for all the basic commodities. That will settle nothing at all, any more than title I of the 1948 act settled anything. It means that the farm bill will be under attack again next year. We shall have to go through it all over again. It means that interested groups will be trying to outbid each other for the farmers' vote, particularly in an election year. I think the time to place in effect a long-range farm program is right now.

Therefore, I hope that the amendment of the Senator from Delaware [Mr. WILLIAMS] will be adopted, and that we can at last get farm legislation out of the field of politics—and not very clean politics at that—so that the farmer may know what to look forward to from one year to another.

The VICE PRESIDENT. The Senator from New Mexico [Mr. ANDERSON] has 3 minutes and the Senator from Delaware [Mr. WILLIAMS] 1 minute.

Mr. ANDERSON. Mr. President, I wish to say only two or three things in the last couple of minutes.

There will be a minor amendment with reference to cotton acreage. A difficulty has developed in trying to apply the new cotton-acreage limitations this year, which has caused trouble in Mississippi, Texas, and perhaps other States. Representative PACE and Representative ABERNETHY and others have asked me to present an amendment which will clarify the situation and permit 15 percent to the county committees.

I realize that we have not much time to consider what seems to be an important amendment. However, I assure Members of the Senate that we have checked it as carefully as we know how and find nothing wrong with it.

As to the amendment offered by the distinguished senior Senator from Ohio [Mr. TAFT], I can only say that theoretically I can see nothing extremely wrong with it. I think it could be corrected to make it better. However, there is hardly time adequately to consider it. We would prefer not to accept it because we believe that it would cause some difficulty. I am sorry to say to the Senator from Ohio that I cannot accept his amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield for a brief inquiry?

Mr. ANDERSON. I yield.

Mr. KNOWLAND. In accepting the cotton amendment, is the Senator opening up a whole field in conference which has not heretofore been opened up?

Mr. ANDERSON. I assure my friend from California that we are not opening up a new field.

If the Senator from Ohio would permit a change in his amendment, in line 4, on page 3, so as to say "not less than 75 percent of the storage space contained in such grain structures," then I think

the amendment would not be in bad shape.

There were other amendments pending before the committee. I hope that we shall not go back to an amendment to strike out the provision for 90 percent for most of the basic commodities for the first year, because the subject has been very carefully considered. There are many Members of the Senate who would like to have voted on that question, who are no longer present. They have gone on trips of various kinds on public business. I believe that the amendment originally suggested by the Senator from Vermont [Mr. AIKEN] and by the Senator from Delaware [Mr. WILLIAMS] is one which ought to be defeated because of that fact.

Mr. WHERRY. Mr. President, is there any time left?

The VICE PRESIDENT. There is 1 minute left.

Mr. WHERRY. May I have the 1 minute?

The VICE PRESIDENT. The time is in the control of the Senator from Massachusetts [Mr. SALTONSTALL]. So far as the Chair is concerned, the Senator may have it.

Mr. WHERRY. Mr. President, all I wish to do is to submit what might be called a unanimous-consent request. If any Senator would like to speak further on the bill, or if the distinguished Senator from New Mexico feels that this amendment is so important that it ought to be further discussed, or if the Senator from Ohio [Mr. TAFT] wishes to modify his amendment, I ask that the previous unanimous-consent agreement be rescinded. I do not think we should act in haste. The reason for the unanimous-consent agreement which was entered into was that a delegation was asked to go to the White House in connection with an appropriation matter. I am sure the majority leader would agree with me that if there was anything done relative to the unanimous-consent agreement which should not have been done, there should be no objection to a unanimous-consent request to continue the debate until all the amendments are modified, ironed out, or satisfactorily explained before there is a vote on them. I, for one, probably was as much to blame as any other Senator for agreeing to the unanimous-consent proposal. We have been pushed rather hard by those who wanted to leave. I certainly feel now that a quorum call should have been had before the agreement was entered into.

So, Mr. President, I ask unanimous consent that the period for debate—

The VICE PRESIDENT. The hour of 2:30 having arrived, all time has expired.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is it possible to suggest to the Senate a unanimous-consent agreement to extend the time 30 minutes?

The VICE PRESIDENT. The Senate may do so at this time, if it wishes.

Mr. WHERRY. I ask such unanimous consent.

Mr. YOUNG. I object.

The VICE PRESIDENT. Objection is heard.

The question is on agreeing to the amendment of the Senator from Ohio, as modified. Debate is not now in order.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from New Mexico may state an amendment to my amendment which I think will be satisfactory to both sides, so that debate will be avoided.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, if the Senator from Ohio will agree to these changes, the committee will accept his proposals:

On page 2, in line 9, after the word "lease", insert "not less than 75 percent of the storage space contained in."

On the same page, at the end of line 10, after the word "years", and before the period, insert "if such structures are not additions to existing structures, or 2 years if such structures are additions to existing structures."

Mr. TAFT. Those changes are satisfactory to me.

Mr. ANDERSON. And also make the same changes on page 3: namely, in line 4, after the word "lease", insert "not less than 75 percent of the storage space contained in"; and in line 5, after the word "years", and before the period, insert "if such structures are not additions to existing structures, or 2 years if such structures are additions to existing structures."

Mr. TAFT. Mr. President, I so modify my amendment.

The VICE PRESIDENT. The Senator from Ohio has modified his amendment accordingly.

The amendment as modified is as follows:

Sec. 418. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of appropriations, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of grain storage structures in amounts up to a maximum of 90 percent of the cost of such grain storage structures, as approved by the Bank for Cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease not less than 75 percent of the storage space contained in such grain storage structures when completed for a period of at least 3 years if such structures are not additions to existing structures, or 2 years if such structures are additions to existing structures."

(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of appropriations, the Central Bank for Cooperatives shall have power and authority to make separate loans to coopera-

tive associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of grain storage structures in amounts up to a maximum of 90 percent of the cost of such grain storage structures, as approved by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease not less than 75 percent of the storage space contained in such grain storage structures when completed for a period of at least 3 years if such structures are not additions to existing structures, or 2 years if such structures are additions to existing structures."

The VICE PRESIDENT. The question now is on agreeing to the modified amendment of the Senator from Ohio.

The amendment, as modified, was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, I call up the amendment which I have at the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, it is proposed to strike out lines 5 through 10, inclusive.

On page 10, line 11, strike out "(2)" and insert "(1)."

On page 11, line 4, strike out "(3)" and insert "(2)."

On page 11, line 8, strike out "(4)" and insert "(3)."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS, Mr. IVES, and other Senators requested the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Kentucky [Mr. CHAPMAN] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Nevada [Mr. MCCARRAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Idaho [Mr. TAYLOR] is a member of the committee appointed to attend the funeral of the Honorable Bert H. Miller, late a Senator from Idaho, and is, therefore, necessarily absent.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Florida [Mr. PEPPER], the Senator from Mississippi [Mr. STENNIS], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Kentucky [Mr. CHAPMAN] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the

Senator from Kentucky would vote "nay" and the Senator from New Hampshire would vote "yea."

The Senator from Mississippi [Mr. EASTLAND] is paired on this vote with the Senator from Ohio [Mr. BRICKER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from Florida [Mr. PEPPER] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from Florida would vote "nay," and the Senator from New York would vote "yea."

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from Vermont would vote "yea."

The Senator from Mississippi [Mr. STENNIS] is paired on this vote with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from New Jersey would vote "yea."

If present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], who is absent on official business with leave of the Senate, is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Mississippi would vote "nay."

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. PEPPER]. If present and voting, the Senator from New York would vote "yea," and the Senator from Florida would vote "nay."

The Senator from Vermont [Mr. FLANDERS], who is absent on official business with leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from New Jersey [Mr. SMITH], who is absent on official business with leave of the Senate, is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Mississippi would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who is necessarily absent, is paired with the Senator from Kentucky [Mr. CHAPMAN]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Kentucky would vote "nay."

The Senator from Nebraska [Mr. BUTLER] is absent on official business with leave of the Senate.

The Senator from Kansas [Mr. REED] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The result was announced—yeas 20, nays 54, as follows:

YEAS—20

Aiken	Hickenlooper	Smith, Maine
Baldwin	Ives	Taft
Brewster	Knowland	Thye
Bridges	Lodge	Watkins
Cain	Malone	Wiley
Ferguson	Martin	Williams
Hendrickson	Saltonstall	

NAYS—54

Anderson	Holland	McMahon
Capehart	Humphrey	Magnuson
Chavez	Hunt	Maybank
Connally	Jenner	Millikin
Cordon	Johnson, Colo.	Morse
Donnell	Johnson, Tex.	Mundt
Douglas	Johnston, S. C.	Murray
Downey	Kem	Myers
Eaton	Kerr	Neely
Ellender	Kilgore	O'Connor
Fulbright	Langer	O'Mahoney
George	Leahy	Robertson
Graham	Long	Russell
Green	Lucas	Schoeppel
Gurney	McCarthy	Thomas, Okla.
Hayden	McClellan	Thomas, Utah
Hill	McFarland	Wherry
Hoey	McKellar	Young

NOT VOTING—21

Bricker	Frear	Sparkman
Butler	Gillette	Stennis
Byrd	Kefauver	Taylor
Chapman	McCarran	Tobey
Dulles	Pepper	Tydings
Eastland	Reed	Vandenberg
Flanders	Smith, N. J.	Withers

So Mr. WILLIAMS' amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. ANDERSON. Mr. President, I have an amendment which is on the desk, and which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The amendment was, on page 23, after line 4, to insert the following:

SEC. . Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (1) by striking the figure "10" in the first sentence and inserting therefor the figure "15", and (2) by striking the figure "30" in the proviso and inserting therefor the figure "20."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

The title of the bill was ordered to be amended to conform with the bill as passed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that

the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. LUCAS, Mr. ANDERSON, Mr. AIKEN, Mr. YOUNG, and Mr. THYE conferees on the part of the Senate.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the bill be ordered printed, with the Senate amendments numbered.

The VICE PRESIDENT. Without objection, it is so ordered. Without objection, Senate bill 2522 is indefinitely postponed.

Mr. BREWSTER. Mr. President, I have refrained from a discussion of the farm bill, in deference to the desire to terminate that discussion. Early in its discussion, there was considerable misrepresentation about the potato situation. I now ask unanimous consent to have inserted in the RECORD certain reports, which I have had prepared, dealing with that matter, which I think will assist in clarifying the understanding. I also ask unanimous consent to have published in the RECORD a reprint of an article from the Christian Science Monitor showing that the people in my State who are greatly interested in potatoes have been supplementing the potato crops with crops of peas.

There being no objection, the reports and articles were ordered to be printed in the RECORD, as follows:

AS TO THE DESTROYING OF POTATOES

Potato farmers and their program have been the victim of so many malicious and misleading attacks that I believe that the best answer to the old mistruths about destroying potatoes is a simple statement of fact.

The people who are trying to undermine and tear down this Nation's great agricultural program have cunningly used the Hitler-like method of repeating the lie until today every man, woman, and child in the United States thinks the Government is burning, destroying, and dumping potatoes every day in the year.

Here are the facts from the official records of the Department of Agriculture and from the official records of the Congress of the United States:

During the war years, total surpluses of potatoes were relatively small, and disposal under the price-support program was fairly simple.

The three crops of 1943, 1944, and 1945 produced an aggregate surplus of 49,000,000 bushels, for which the principal outlets were 8,500,000 bushels exported, 11,600,000 bushels used for livestock feed; and 5,400,000 bushels used to make alcohol. Total physical losses during these 3 years amounted to only 3,100,000 bushels, most of which were lost because of deterioration rather than lack of outlets.

In 1946, the surplus amounted to 107,800,000 bushels. All outlets together absorbed 73,300,000 bushels, and 34,500,000 bushels were lost, or dumped, under the kind of surplus disposal program the United States Department of Agriculture was operating at that time.

The Department chose to dump the potatoes rather than increase the cost of the program by putting them through diversion outlets.

Serious criticism followed the Department's action. The Department was roundly condemned for permitting a situation

where potatoes were rotting or freezing in piles while most of the world was hungry.

A congressional committee—the Subcommittee on Food Shortages of the House Agriculture Committee—made a thorough study in June 1947, of the Department of Agriculture's handling of the 1946 crop of potatoes. One of the recommendations of that subcommittee was:

"The prevention of dumping or other outright waste of potatoes to solve any surplus problem without first exhausting all possibilities of useful consumption, including marketing in areas distant from that where the local surplus exists, and of relief and industrial uses."

This was a congressional mandate to the Department to stop its dumping activities and make use of the potatoes. The Department's operations since the 1946 crop have been on that basis. No potatoes have been dumped anywhere under the Department's program since that House subcommittee recommendation was made public in June 1947.

In 1947, the surplus was moderate, 34,200,000 bushels. Imports increased in 1947 to nearly 12,000,000 bushels, and starch, flour, livestock feed, and alcohol consumed virtually all of the remainder. Only 500,000 bushels were lost on the entire crop, which is a nominal loss which would have been experienced by any commercial potato men handling that many potatoes.

In 1948, even though the surplus was 133,600,000 bushels, it was possible, by utilizing every available outlet, to get the surplus into some sort of consumption.

These are the facts which are available to anyone looking for facts instead of fallacies.

The pictures you see in some of our newspapers and magazines of mountains of potatoes were made back in 1946.

The same publications that pride themselves on their editorial "scoops" and "news alertness" dust off these old pictures and use them again every time they mention the word "potato."

These well-trained editors and picture men blandly omit the date the old pictures were made. They make no reference to the changes that have been made to make the potato program in 1949 one of the best operated in the whole agricultural set-up.

They make no mention of the fact that potato farmers themselves have cut their acreage 43 percent. They make no mention of the fact that potato farmers have only the protection of a 60 percent of parity price support instead of the 90 percent that prevailed during the war years. They make no mention of the fact that, through their own efforts, potato farmers this year—1949—have reduced the cost of their program to less than \$50,000,000, or less than one-fifth of last year's cost.

Instead, they go right ahead bragging about running up-to-date "news publications" and load them down with 3-year-old pictures, which completely distort the truth as it pertains to the current program.

I always watch for that old picture showing the potatoes being "burned up." They always run that one, and I sort of look forward to it just as I do to the little box that tells how many shopping days before Christmas.

As a matter of fact, no potatoes have ever been burned anywhere at any time by the Department of Agriculture as part of its official potato program.

That potato-burning picture—and they have just that one that I look forward to seeing—came about in this fashion:

Before it stopped its dumping program back in 1947 the Department had 2,000 bushels of potatoes in a pile down in Alabama. The fire started when an overzealous employee poured kerosene over them, not to burn the potatoes, but to ward off

the tuber moth, to keep it from infesting the potatoes, multiplying itself, and spreading itself over the area.

That's where the "burning potatoes" picture came from. These are the facts on that one.

All of this information is readily available from official files to anyone who wants to make an accurate statement in regard to potatoes. These are the unslanted, unbiased, and unadorned facts in the case for anybody looking for the truth about the program.

They are available to all who daily help paint the distorted picture of the potato program.

The potato farmer can excuse the ignorant and prod the lazy, but he has no way to combat the cunning ones who deliberately attack his farm program with malicious intent.

AS TO MARKETING QUOTAS

Farmers have evidenced, over a period of years, both their willingness and their ability to cooperate in Government farm programs—but every successful farm program has been preceded by an intensive educational campaign whereby farmers were personally told what the Government expected of them.

Some of these educational campaigns have been carried on over a period of several years.

In the case of potatoes, we have had experience with the adoption of marketing agreements. We know that in some of the potato-growing areas where marketing agreements are today working most successfully, that sponsors of those agreements worked from 2 to 4 years to get them accepted by producers. That was our experience in Maine.

Just to explain marketing quotas properly would require a great deal of time. I do not believe they should be suddenly thrown at potato farmers. I think they should have some warning in the form of an educational program.

In some areas where marketing quotas have been in effect over a period of years for a regional crop, such as tobacco, most farmers probably already have the general background on a program of this type so that they could visualize how it would operate on potatoes.

On the other hand, potatoes are one of the few crops grown commercially in every State in the Union. In many of these areas, farmers have had no previous experience with marketing quotas and a proposal to apply them to potatoes would mean many months of educating them.

I understand a proposal for marketing quotas is contained, along with production payments and other measures, in a special Potato Act, which the Department of Agriculture has drafted and turned over to the chairman of the Senate Agriculture Committee.

Therefore, I would suggest that any action on marketing quotas for potatoes be considered in this specific potato bill and not made a part of the over-all farm legislation.

This will provide a fair opportunity for potato farmers and their representatives to be heard on marketing quotas.

I do not believe it would be fair to potato farmers to be suddenly forced under marketing quotas without any opportunity of being heard—especially when we realize that the success of such a program, should one go into effect, will depend to a major degree upon the understanding, support, and cooperation of the farmers themselves.

AS TO THE COST OF THE POTATO PRICE SUPPORT PROGRAM

The cost figures quoted in the newspaper and used by Secretary Brannan are all out-of-date. These outmoded and misleading figures have been repeatedly given out by the Secretary of Agriculture in an effort to sell

the Congress and the public on his already discredited Brannan plan.

The Secretary has access to the up-to-date figures on the cost of the program because they are compiled by and are a matter of public record in his own Department of Agriculture. But, so far, Secretary Brannan has made himself conspicuous by his complete failure to use the cost of the program in 1949.

No one is attempting to defend the old figures the Secretary insists on using. Potato growers certainly did not expect the 1948 program to cost the \$225,000,000 that it did. Regardless of cost, potato growers complied with that program and it was through no fault of theirs that the cost was excessive.

However, it was potato growers themselves who first recognized the necessity for reducing the cost of their program, and this they have done to a remarkable degree on the current 1949 crop.

Government support on the 1949 crop is now running at approximately \$44,000,000, which is less than one-fifth (only 18 percent) of the cost of last year's program.

This cost is far below any of the estimates the Secretary of Agriculture has made for 1949, but in all of the Brannan speeches and interviews he has consistently failed to publicly recognize what the growers are doing.

I imagine the Secretary himself is a little too surprised to believe the figures from his own Department of Agriculture. I am sure we all recall that the Secretary's estimates on the cost of the potato program for 1949 have run as high as \$150,000,000.

As a matter of fact, Secretary Brannan himself estimated that the Government would save money by adopting the Brannan plan for potatoes this year as he figured the Brannan plan for potatoes would cost only about \$180,000,000.

Now, potato growers themselves have confounded the Secretary of Agriculture by operating a program which this year will cost only about one-half of what he had previously estimated the Brannan plan would cost.

The Secretary of Agriculture is, of course, free to operate on his own outdated and misleading figures, but I am sure the United States Senate wants to give full recognition to the up-to-the-minute figures, which show conclusively that the potato program is currently operating at a cost of only \$44,000,000—less than one-fifth of last year, and less than one-half of Mr. Brannan's estimate under his own private farm program.

AS TO THE BRANNAN PLAN

The Secretary of Agriculture describes his so-called Brannan farm plan in a very engaging fashion. He makes it sound as simple as two and two equal four.

The Secretary tells consumers he would let farm prices drop as low as they could possibly go in the market place so they would have cheap food.

Then the Secretary tells farmers not to worry about those low Brannan plan prices, that he is going to send them a nice fat Government check to make up the difference between that low market price and what he thinks they ought to get.

It all sounds very simple, but the people are not quite as naive as the Secretary of Agriculture thinks they are. They know full well that their taxes would have to pay for the tremendous cost of the Brannan plan.

In addition, administration of the Brannan plan would require the keeping of far more records than the wartime Office of Price Administration and the War Production Board put together.

It would mean that every time a farmer sold a bushel of potatoes, or anything else under the Brannan plan, that he would have to keep a complete record of each and every

transaction in order to prove to the Secretary of Agriculture what prices he had gotten for his products in the market place.

Then, Secretary Brannan, just as the war-time agencies did, would have to have an army of inspectors, checkers, auditors, statisticians, and finally comptometer operators to add up, divide, and subtract and mail out checks to the 6,000,000 farmers, some of whom would be selling some commodity every hour of every day.

No responsible farm group anywhere is giving any support to the Brannan plan.

Personally, I am glad the Secretary of Agriculture has made his proposal so utterly fantastic that we can all see through it.

Potato farmers believe you will be interested in some up-to-date figures on the 1949 price-support program, which the National Potato Council has compiled. The Council represents most of the commercial production of Irish potatoes in the United States.

Potato farmers themselves have taken the lead in making the sharp reductions necessary to adjust to the postwar period.

Potato farmers have voluntarily reduced their acreage approximately 43 percent since 1943. (See table No. 1.) Of this sharp voluntary decrease in acreage, 36.5 percent came in the 5 years 1944-48, in spite of the fact that during this period potatoes were supported at 90 percent of parity.

TABLE No. 1.—Potatoes: Planted acreage and decreases since 1943

	Acreage planted, 1,000 acres	Decrease in acreage from 1943, 1,000 acres	Percent of decrease
1943.....	3,354.7		
1944.....	2,884.7	470.0	14
1945.....	2,765.7	589.0	17.5
1946.....	2,644.6	710.1	21
1947.....	2,135.5	1,219.2	36
1948.....	2,127.3	1,227.4	36.5
1949.....	1,915.3	1,439.7	42.9

Potato farmers, as a group, have complied virtually 100 percent with the United States Department of Agriculture's acreage goal program by not planting even the total allotted acreage in any of the years 1944 through 1949. (See table No. 2.)

TABLE No. 2.—Potatoes: Goal acres and planted acres, 1943-49

Year	Goal, 1,000 acres	Planted, 1,000 acres	Over or under planted	Percent over or under planted
1943.....	3,260.1	3,354.7	+94.6	+3
1944.....	3,480.5	2,884.7	-595.8	-17
1945.....	3,137.4	2,765.7	-371.7	-12
1946.....	2,771.4	2,644.6	-126.8	-4.5
1947.....	2,517.0	2,135.5	-381.5	-15
1948.....	2,352.4	2,127.3	-225.1	-10
1949.....	1,938.3	1,915.3	-23.0	-3.2

Increased per acre yields have offset, to a considerable degree, the 43-percent reduction in acreage since 1943, but, to a great extent, this has been due to the exceptionally good crop years that this country has enjoyed since 1940. Most authorities do not expect these good years to last forever.

As a result of complying with the Department's acreage goal program, plus the fact that the support price has been cut to 60 percent, we are producing this 1949 season a crop estimated to be the smallest since 1941. The September Crop Report estimated that the 1949 potato crop would amount to 363,061,000 bushels, which is 82,789,000 less than last year, a reduction of approximately 20 percent.

This decrease in production is due primarily to the smallest potato acreage in 70

years. In spite of unfavorable weather in some States, the indicated national per acre yield of 191 bushels would be second only to the record yield of 212 bushels harvested in 1948.

Potato growers themselves, as far back as May 1948, recommended that changes be made in the potato price-support program.

Following these recommendations, the Secretary of Agriculture reduced the rate of the support for potatoes from 90 to 60 percent of parity, and potato producers have accepted and are supporting this very sharp reduction in the support price.

Potato farmers voluntarily made these drastic adjustments because they believed that, in the case of their commodity, decreased acreage, a lowered support price, acreage allotments, marketing agreements, and a "one price" system that results in consumers getting better grades, would return potato production to its proper place in the postwar agricultural economy. Potato farmers regard the support price at 60 percent of parity as the equivalent of insurance on the cost of production and insurance to the consumer of an adequate supply of potatoes at reasonable prices.

Under this program which growers themselves are carrying out, the cost in 1949, with price support at 60 percent, is now running sharply below the cost of 1948.

There has been so much talk about the cost of the 1948 program that the facts on 1949 have been completely overshadowed.

For example, figures from the Department of Agriculture show that as of September 10, 1949, the Government's purchases of Irish potatoes under the 60-percent support program totaled only 6,760,000 bushels, at a cost to the Government of \$7,950,000, as compared with purchases on the same date in 1948 of 28,420,000 bushels, at a cost to the Government of \$44,300,000.

If this same relationship continues throughout the harvesting season, which is now in progress, the cost of the program for 1949 will approximate only \$44,000,000, or less than one-fifth (18 percent) of last year's \$225,000,000 when the support price was at 90 percent.

Even though the harvesting season is still under way, there is already ample evidence that the reduction of the price support from 90 to 60 percent of parity has automatically removed the important factor which has contributed most to a surplus of potatoes, an unusually favorable price support.

A support level at only 60 percent of parity, in most States, lowers the price of potatoes under support approximately one-third. Noncomplying growers should have little interest in taking the risk of growing a costly crop like potatoes with such low support.

The Council points out that in only three of the years since 1930 have potatoes been below 60 percent of parity (see table No. 3), and these 3 years, with other low-price years, were disastrous to potato farmers.

TABLE No. 3

	USBAE average farm price received by farmers per bushel	United States parity price per bushel	USBAE average farm price received by farmers per hundred-weight	United States parity price per hundred-weight	Percent price received by farmers is of parity United States figures
1930.....	\$0.91	\$0.94	\$1.51	\$1.57	97
1931.....	.46	.81	.76	1.35	57
1932.....	.38	.72	.63	1.20	53
1933.....	.82	.83	1.37	1.38	99
1934.....	.45	.88	.75	1.47	51
1935.....	.59	.85	.98	1.41	69
1936.....	1.14	.91	1.90	1.51	125
1937.....	.53	.88	.88	1.47	60
1938.....	.56	.84	.92	1.40	67
1939.....	.70	.85	1.17	1.41	82
1940.....	.54	.87	.90	1.45	62

TABLE No. 3—Continued

	USBAE average farm price received by farmers per bushel	United States parity price per bushel	USBAE average farm price received by farmers per hundred-weight	United States parity price per hundred-weight	Percent price received by farmers is of parity United States figures
1941.....	\$0.81	\$1.02	\$1.35	\$1.70	79
1942.....	1.17	1.13	1.95	1.88	104
1943.....	1.31	1.21	2.18	2.01	108
1944.....	1.50	1.24	2.50	2.07	120
1945.....	1.43	1.31	2.38	2.18	109
1946.....	1.24	1.36	2.07	2.27	91
1947.....	1.62	1.67	2.70	2.78	97
1948.....	1.54	1.83	2.57	3.05	84

Percentage of parity received: 1930-34 average, 71.4 percent; 1935-39 average, 80.5 percent; 1940-44 average, 94.6 percent; average, 19 years, 1930-48, 84.9 percent; biggest 5-year average, 1942-46, 106.4 percent.

Potato farmers have gone a long way in adjusting their production in line with demand. They have cut their acreage 43 percent. They have taken a reduction from 90 to 60 percent in their support price. They are on a one-price system that brings consumers the best quality. Through their own efforts, they have brought about a reduction in cost so sharp that the 1949 program will cost only one-fifth of last year's. The growers have asked for marketing agreements which would be binding on the noncomplying grower.

This program is in operation for the first time on the 1949 crop. So far it has demonstrated that it at least deserves a fair trial. If, after a fair trial, this program does not work to the benefit of the consumer, the Government and the grower, potato farmers will again take the lead in recommending any changes that are necessary.

Therefore, potato farmers respectfully urge that the current program, with mandatory price support at from 60 to 90 percent, acreage allotments, and marketing agreements, be continued, in the belief that even greater results will be forthcoming next year.

[From the Christian Science Monitor of July 30, 1949]

PEAS FROM POTATOLAND—SPUDS MOVE OVER IN AROOSTOOK COUNTY, MAINE, FOR DEEP-FREEZE VEGETABLE

(By Robert R. Mullen)

In a profitable upset of an old New England tradition, peas are now being grown in Aroostook County, Maine. The growing of anything except spuds in Aroostook is almost spectacular news, because the big county jutting into Canada in the northeastern corner of the United States has been for half a century a principal source for the Nation's spuds. Farmers in Aroostook were potatomen, period.

Yet today Aroostook is demonstrating that there is hope for farmers in something other than Government subsidies, and that prices by economics instead of by politics can be a constructive thing. For private enterprise, at both the big city and the small farmer levels, is cooperating in Aroostook to prove that bright ideas still pay off.

The Birds Eye frosted-food division of giant General Foods has made Aroostook one of its main sources for peas. Some 6,000 acres are planted this year; next year's target is above 10,000 acres, and a \$1,000,000 freezing plant is already in operation. Where this will end apparently only depends on the margins of United States appetites for frozen peas.

The story of peas in Aroostook actually begins back in the mid-1930's. It was then that the burgeoning frozen-food business, getting its bearings, discovered that peas were the foundation upon which the business had to be built. Peas were the big

staple, accounting for as much as 40 percent of the total volume of the frozen-food industry.

Not only is a superior type of pea required for freezing; it is prudent business to have several alternative sources so as to be prepared against a crop failure in any one area. Moreover, peas in the usual growing areas all came along at one time, jamming harvesting and processing.

Obviously desired was a pea that would mature late, after the rush was over, and which, because of its lateness, would not have to be kept in storage so long. Like most big United States corporations, General Foods is strong on research. So, the problem was turned over to the research division.

Experts pored over the soil and climate data of various parts of the country and finally came up with the notion that Aroostook offered unusual possibilities. Its soil was irrigated by gradual thawing of subsoil moisture during much of the pea-growing season; moreover, Aroostook was so far north its pea-harvesting time was bound to be later than in the more southerly pea areas.

This paper work looked good, so in 1937 the company sent agents into Aroostook to contract for 600 acres of various varieties of peas, the company furnishing the seed. At the same time an abandoned trolley barn was leased in Houlton, where freezing machinery was installed.

These pilot tests indicated they were on the right track, so the acreage was increased to 1,000 in 1938 and doubled in 1939, when, for the first time, they ran into serious trouble. They discovered that much of the Aroostook soil was too acid for peas.

For years the farmers had been told that spuds thrived best in acid soil and that high acidity prevented scale. But peas require a sweeter soil. In some of the newly added acreage the peas turned a light yellow and did not bear.

Here, indeed, was a dilemma. Just try and get Maine farmers to change. It was enough to give even America's largest food concern pause. It was solved, however, in rather simple fashion. First, the State agricultural agents were shown that a little liming did not hurt potatoes. Then the company let the State agents convince the individual farmers.

A rather clever way of liming was worked out, too. The seeds were rolled in lime so that when dropped into the soil they looked like tiny snowballs. This lime took care of acidity in the immediate vicinity of the pea roots and most of it was absorbed by the plant. But experience has shown that far from spoiling the soil for potatoes, yields have increased about 10 percent on soil used the year previously for peas.

By the time of Pearl Harbor Birds Eye had 2,500 acres in peas, and that level was held during the war. But Aroostook peas were winning favor and when the war ended it was decided to expand, making Aroostook the largest single source for frozen peas. As soon as materials were available a big new freezing plant was rushed to completion at Caribou, and this is the first big year.

Pea acreage is now up to the capacity of this plant. Before contracts can be made for added acreage it must be enlarged. This delay is a disappointment to many farmers because peas have now won a healthy regard from Aroostook farmers.

This is partly because potatoes have become the problem child of the agricultural support program. The last few years have been pretty lush, especially since it was the United States official policy to encourage large potato crops as insurance against failure of other crops and the consequent possible effects on our export of relief foods.

But Government support prices came a cropper in Aroostook this past year. The same 90-percent parity was paid, of course,

to farmers living nearer the big consuming markets, so even if their production costs were higher they could save on transportation. The result was that Aroostook very largely lost out, and the Government ended up by having to buy about 60 percent of the Aroostook crop.

Aroostook farmers put large checks in the banks, but at the same time they realized from the hue and cry in Congress that those days would not come again. The actual amount of guaranteed prices for 1949 is not known at this writing, but a 23-percent cut in Aroostook potato acreage has already been ordered, if farmers are to qualify for support this year.

That, combined with the stark fact that per capita potato consumption has fallen from 190 pounds to 120 pounds in the last 25 years, is enough to make any potato farmer think about peas.

Given a good yield, and given quality qualifying for bonus prices, a farmer will average about \$100 an acre from his peas. No wonder peas take on an increasingly larger fiscal attraction to farmers as potato prospects wobble.

But no farmer could live on peas alone. For it has been company policy to spread contracts for small acreage, rather than concentrate on a few farms. They didn't want anybody to get badly hurt should the pea crop fail or the whole idea fizzle. Moreover, because of the need to freeze very soon after harvesting, contracts are placed as near as possible to the plant.

Most contracts are for from 10 to 15 acres. That means, all going well, as it has so far, that the individual farmer will have a cash pea crop worth between \$1,000 and \$1,500, which is a pleasant thing to anticipate in a year of agricultural uncertainties.

How far this can be expanded, and how many more farmers can be awarded contracts depends, obviously, not only on Birds Eye, but also upon whether other outside packers will wish to obtain peas there, or whether local Aroostook talent will undertake the growing and freezing of peas. These are, of course, wide open possibilities under the free-enterprise system.

But, apart from that, peas are showing the wisdom of diversification. At the present time, experiments are going forward at the State experimental station in Presque Isle with such things as strawberries, broccoli, and cauliflower. The effort is to find things which will benefit from the special Aroostook conditions.

One idea is that several items can be developed as late crops, ready to be rushed to the big eastern markets when the crop from the southern and northern tier States has gone by. Anyway, it is one more indication that things are stirring up Aroostook way.

THE MOTION PICTURE—TORCH OF FREEDOM

Mr. DOWNEY. Mr. President, the American motion picture is today one of the most powerful instruments for freedom and democracy throughout the entire world. Because the motion picture industry maintains its production headquarters in my State, I am keenly conscious at all times of its great accomplishments.

I have prepared a statement which tells of the great service the motion picture is performing for our country as an American institution. While I had intended to read this statement I have decided now not to impose on the time of the Senate in the closing hours of the session, but instead I ask that it be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE MOTION PICTURE—TORCH OF FREEDOM—STATEMENT BY SENATOR DOWNEY

Mr. President, in Chicago, recently, occurred one of the most unusual and one of the most significant meetings in the history of all American industry. It was a joint conference of motion picture industry organizations. Around the same table were assembled the representatives of producers, distributors, exhibitors, the talent guilds, the crafts, and the trade press. There was no element in the industry which was not represented.

It was the first meeting of its kind within the motion picture industry, and Eric Johnston, president of the Motion Picture Association of America, expressed himself as believing it to be epochal in the whole broad field of American industry.

At the outset of the conference, Mr. Johnston said:

"Perhaps the manufacturers, wholesalers, retailers, and talents and crafts in other industries have had similar meetings. But if they have, I never heard of it. Maybe our industry is once again the first to pioneer with a new idea."

I would assume Mr. Johnston to be entirely correct. In his 4-year term as president of the Chamber of Commerce of the United States, it is quite certain he would have heard about it if any other industry had ever called together every segment within it.

I draw the attention of the Senate to that Chicago conference for a number of reasons. Not the least of them is the simple fact that it so well manifested the democratic process in America. Here was a manifestation that in American industry today each component part, big and small, is interdependent; though their interests in particular may be widely diverse, the broad interest of the whole field involved is of mutual concern.

And there, in Chicago, was a manifestation that American industry senses and willingly—and most eagerly—wants to live up to its responsibility today to the community of America and to the community of the world whose leadership this country has inherited.

That industry conference in Chicago adopted a declaration which may be accurately defined as a reaffirmation of faith. I want to include the text of that declaration in my remarks, for it is a most remarkable document in many ways. The language itself is stirring.

The text of the declaration is as follows:

"The all-industry conference of the motion-picture industry reaffirms its faith in and responsibility to the American people. It pledges itself to the production and exhibition of films that will entertain and instruct—that will show the humanities and ways of our Nation and will, without fear, bring light to the dark corners of our society.

"It will continue to use the laws of God and the laws of man as its yardstick to determine whether or not a subject is suitable for filming. It will continue to deplore any effort to forbid it or the American people freedom of choice on the screens of this Nation.

"It will continue its self-regulation to make certain that honesty may be achieved without offense. It will, without stint, bend its best effort to laughter and thought, putting no man above another, though he be white or black, Christian or Jew.

"It will resist, together with all thinking men, any regulation that makes it a slave to a minority; it will cooperate with all men who believe in human decency.

"It is the servant of a hundred and fifty million; it will be no tribute for the few as against the many. The screen belongs to the free people of the world; we shall guard it well in their name.

"Producer, exhibitor, technician, distributor, writer, actor, director—above all else, in this we believe."

I believe those few brief paragraphs constitute one of the loftiest documents of our times. I find myself rereading it, and each time with new appreciation. Through those resounding words, we are reminded with fresh vigor of all those things which we in America hold most dear—our freedom under God, freedom of the individual, freedom of choice, freedom of speech.

That declaration symbolizes the spirit of one of our greatest industries, a young industry, an ever-growing industry. It is a powerful industry, but an industry with a heart and one with a soul. That declaration symbolizes the spirit of the men and women who make our motion pictures, who distribute them and who exhibit them.

It puts into words those things which they themselves believe with constancy and with devotion. That declaration is the most convincing evidence to me that they have accepted to the fullest measure—as individuals—and as a group—their separate and their combined responsibility to the society of America and to the society of mankind.

We in America and the people of the world can have faith in men and women who themselves have such deep faith. The motion picture has been often described as the most powerful instrument of communication ever developed, and there is no better definition. I rejoice that its stewardship is lodged in such worthy hands and is guided and advanced by such understanding and broad-thinking minds.

We in California have taken a singular and I believe a pardonable pride in the fact that the motion-picture industry maintains its production headquarters in our State. Our pride is neither bumptious nor arrogant. It is tempered by our realization that the motion picture is indeed the property of the free peoples of the world and not ours alone. I am not speaking about the motion-picture industry, therefore, as a home industry peculiar to my home State. It is yours as well as mine. Wherever a theater is located—in the metropolitan loops, in the suburban villages, in the crossroads country towns in America and around the globe, there, in point of fact, is the home and heart and center of the motion-picture industry.

So I speak today of the American motion picture as an American institution. Never before did all of us in America have more reason to be proud of its accomplishments. The responsibility this industry has accepted so forthrightly is a staggering one. It transcends the wildest flight of imagination which might have swept over one of its founding fathers in its first stages of development.

The American motion picture has become the torch of freedom throughout the world. Our films go everywhere; they travel by ship and plane, by truck and cart, by train and pack horse. They are known and beloved in the desert and the jungle countries; they show at the equator and in the frozen areas of the polar lands.

They are known to all men, regardless of language, habitat, religion, culture, background or customs. They are universal as nothing else man-made is universal.

Wherever they go they carry the American story in sight and sound. Wherever they unwind there is some small portion of America transplanted across the seas, brought home to men to whom America might otherwise be a distant, dreamed of, and almost doubted fairy tale.

We as a people are spending many millions for the Voice of America, attempting to beam by radio the message of America's purposes, its ambitions, its intentions and some understanding of our ways of life and our ways of thought. I am heartily in accord

with this magnificent effort. But here, Mr. President, is a private American industry carrying the American message to areas beyond the reach of our radio, our press, our publications—beyond the reach of anything except the motion picture.

Here is a private American industry which links all men who believe in democracy; which reminds men whose democracy has been stolen that it still lives and flourishes in other lands and that there is still cause for hope.

Through government, Mr. President, we could not possibly accomplish what the American motion-picture industry, on its own, is doing. Perhaps the greatest strength of the American motion picture is the absence of studied conscious propaganda in our films.

And it is that absence of propaganda which makes them so beloved everywhere. The films are full of amazing stories of American films abroad. They tell of dictator governments exhorting their people to stay away from American pictures—and they tell of how the people line up for blocks at the box offices where American pictures show.

The American motion picture is little loved by dictators and by those who hate freedoms for others. For while it does not preach, the American motion picture literally breathes the spirit of freedom and democracy, and people sense it.

The files tell of a dictator government which tried to lure people into a theater showing a propaganda film of its own choosing with free tickets and free transportation. But the film unwound to almost empty seats. There wasn't standing room in the theater across the street where an American picture was on exhibition.

It is costing the American motion-picture industry millions of dollars to maintain a world-wide circulation of films today. The industry is direfully beset by tremendous difficulties. Stringencies in foreign exchange, restrictive quota laws, trade barriers of a wide variety are forcing the American motion-picture industry into vast sacrifices. But it persists, and it will persist, in the role it has so sturdily and staunchly adopted.

I believe I state only a simple truth when I say that I doubt if any other private institution in all our history ever made such sacrifices for the good of our country and for the cause of democracy and freedom everywhere.

Mr. President, I have talked largely of the motion picture as a torch of freedom around the world. I want to conclude by suggesting that this great art of the twentieth century is also making amazing contributions to education and to culture; that it is making them everyday and will continue to make them.

The purpose of the motion picture is to entertain, nothing more, but just as it carries the byproducts of democracy and freedom abroad, so too, it carries the byproducts of education and culture.

It has brought a new and vastly more extensive appreciation of the finest in music to uncounted millions who otherwise would have no chance of its acquaintance. In scores of pictures made today, we are regaled by complete and original symphonies by way of background music, for Hollywood has enlisted the talents of the great masters of music.

It has re-created the lives of the artists of the past, and so doing it has introduced their works to the masses.

The evidence of its power to arouse new appreciation of great music is not hard to find. The effect of motion pictures on the sale of phonograph records is proof in point—and that effect has been phenomenal. It is not unusual for a record of a song played on the screen to sell thereafter in the hundreds of thousands.

The motion-picture industry has harnessed science to a great creative art and has there-

by given the priceless gift of music to the many millions.

Its contribution to history is completely obvious. History is among the richest fields for Hollywood story material, and no part is richer or more often used than the history of our own past.

Through the film we relive the American Revolution; we hear again the voice of Patrick Henry; we witness the opening of the West. The personalities of long-gone leaders of America are re-created for us and we gain new understanding of their gallant efforts and their courageous accomplishments.

I am confident that we today know a thousand times more about our own history and the history of the world because of the motion picture. History comes alive on the screen.

Its contribution to literature is even more emphatically evident. For the classics of the ages and the great stories of our time are constantly being retold in screen form.

It gives flesh and blood to the beloved characters of classic and modern writing. It recreates literature, and in increasing measure it is creating its own literature. Superbly talented writers are finding it a medium best suited to their genius and their craftsmanship.

As in the case of music, whenever the screen reproduces the story of a classic or a best seller of the day, there is a run on the libraries and the bookstores for copies of the book. Regular editions take a spurt in sales. Reprints are snatched up.

We are a reading people today far more than we ever were before because we have been so largely lured to that cultural pursuit and that splendid habit by the motion picture. Book publishers who might once have looked on the screen as an upstart competitor now consider it a firm ally. For, from Shakespeare to Steinbeck, the screen enhances the popularity of books.

Mr. President, I have here one of the most striking tributes to the motion picture I have ever seen. I wish I had written it. But it was written anonymously. It is one of those striking bits of writing which are the product only, I believe, of a moment of high inspiration. It is obviously written by someone of deep insight as well as by one who, at the time, was in the grip of inspiration.

It is a short, but significant appraisal of the motion picture as well as a tribute. I should like to hope that everyone could read it, for in a very large sense it is a tribute to the whole American system which has so richly provided for us.

In closing my remarks, Mr. President, I would like to read to you this short, poetic essay, entitled simply "I Am a Movie Fan," and reading as follows:

"I AM A MOVIE FAN"

"I have traveled everywhere. Samarkand and the Barbary Coast. On the camel trails of the Sahara and through the Khyber Pass. I have followed the seaways and the airways to the familiar places and to the strange ports of call all around the world. I am a twentieth century Marco Polo.

"I am a movie fan.

"I saw the Battle of Hastings, and I was there when King John agreed to the Magna Charta. I was present when the redoubts were stormed at Yorktown and 'the world turned upside down.' I saw the Constitutional Convention, and I have walked with Lincoln in the shadowed White House grounds. All the past is known to me through my own ears and my own eyes. I have lived forever.

"I am a movie fan.

"Ivanhoe, Micawber, and Yancy Cravatt are friends of mine. I heard the knight proclaim his challenge in the Lists of Templestowe; I walked the streets of Osage with the Oklahoma pioneer. All the great characters of literature have come alive for me, trans-

mitted from the printed page to men of flesh and blood.

"I am a movie fan.

"I have heard and watched Chopin and Mozart and Johann Strauss compose their ageless melodies. All the best in music has been brought to my ears.

"I am a movie fan.

"I was with MacArthur on the battleship *Missouri*. I attended the sessions of the United Nations. I was at the Paris conference. I will be at the next Olympic games. I am informed of the world of today, for I am present on all great occasions and at all great events.

"I am a movie fan.

"Good fortune has brimmed my cup. No man before me was ever so richly endowed or more fortunate.

"I am a movie fan."

AMENDMENT OF DISPLACED PERSONS ACT OF 1948

Mr. LUCAS. Mr. President, I should like to have the attention of all Senators to the request I am about to make. It is a very important one, and I want every Senator to understand thoroughly the parliamentary situation. As everyone knows, the Senate is still on the legislative day of September 3.

The VICE PRESIDENT. It seemed longer than that to the Chair.

Mr. LUCAS. We have been taking a recess from day to day, rather than having an adjournment each night. The Committee on the Judiciary this morning reported the House bill, H. R. 4567, to amend the Displaced Persons Act of 1948. Under the parliamentary situation, one objection to a unanimous-consent request is sufficient to prevent the report being filed. All I am going to do is to ask unanimous consent that the report may be filed, in order that we may save time. I have talked to a number of Senators on both sides of the aisle. I want them to know that Members on both the Republican and Democratic sides are sincere in bringing up the measure for disposition at this session. All I am trying to do is merely to speed up the passage of the proposed legislation.

If we could get unanimous consent to have the report filed, it would save the majority leader from making a motion to adjourn for 15 minutes so that there could be a morning hour when the report could be filed, and the bill would be ready for consideration tomorrow. Before I make that request, if there are any questions any Senators desire to ask, I shall be glad to endeavor to answer them.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LANGER. As I understand, if an objection is made the distinguished majority leader will make a motion to adjourn, and in 15 minutes we would be back where we are at this time?

Mr. LUCAS. The Senator is correct.

Mr. LANGER. And we would be considering the displaced-persons bill.

Mr. LUCAS. No; it would have to lie over another day before we could consider it.

Mr. LANGER. Mr. President, in view of the treatment accorded the chairman of the Judiciary Committee, the senior Senator from Nevada [Mr. McCARRAN], and the distinguished Senator from

Mississippi [Mr. EASTLAND], I am constrained to object.

Mr. LUCAS. Mr. President, I ask unanimous consent that the acting chairman of the Judiciary Committee, the distinguished Senator from West Virginia [Mr. KILGORE] be permitted to file the report of the Judiciary Committee on House bill 4567, a bill to amend the Displaced Persons Act of 1948.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. I object.

Mr. LUCAS. Mr. President, I move—

Mr. WHERRY. Mr. President, will the Senator withhold his objection and yield to me?

Mr. LUCAS. I yield.

Mr. WHERRY. Will the distinguished majority leader tell the Senate now, while there is such good order, what the plan will be for tonight, in the event we convene after this adjournment?

Mr. LUCAS. What I hope to do is to have a sufficient number of Senators agree with me to adjourn for 15 minutes, and then have a morning hour, when this report can be filed. Under the rules, it would lie over for a day before the Senate could consider it. Following that, I have agreed with the distinguished Senator from New Mexico [Mr. CHAVEZ] to take up the flood-control bill. He assures me that it will not take more than 2 hours, in his opinion, and that if it takes longer than that, he will be willing to have it laid aside. I have also discussed with the senior Senator from Ohio [Mr. TAFT] a bill in which we are all interested, and which should not take very long. If we can accomplish the passage of those two bills, we shall go into executive session and consider the executive calendar and probably dispose of Mr. Olds' nomination before the evening is over.

Mr. WHERRY. If there is to be a night session, does the majority leader intend now to set an hour for dinner, or will the Senate proceed right into the night session.

Mr. LUCAS. I think we shall have an hour for dinner.

Mr. WHERRY. At what time?

Mr. LUCAS. Around 7 o'clock. I want the Senator from Indiana [Mr. CAPEHART] to know that I am agreeing with him on a night session.

DISPOSITION OF CHART PREPARED BY DEPARTMENT OF AGRICULTURE

Mr. CAPEHART. I understand that.

Mr. President, I hold in my hand a chart which the able Senator from Oklahoma [Mr. THOMAS] had printed in the *RECORD* by unanimous consent. I want to say, first, that the able Senator from Oklahoma had absolutely nothing to do with the preparation of the chart. I find that the chart misrepresents the facts. It is a very deceptive chart, and I do not believe the Senate of the United States should have facts misrepresented to it by a department of Government.

I move that the chart be stricken from the *RECORD* and referred to the Department of Agriculture for a correction and a true statement of the facts.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. I do not see the Senator from Oklahoma on the floor at this time—

Mr. CAPEHART. I discussed the matter with the able Senator, and I am certain he has no objection to my motion. He had nothing to do with the preparation of the chart. He so stated when he placed it in the *RECORD*. The chart is so obviously incorrect that I feel that the true facts should be placed in the *RECORD*.

Mr. LUCAS. Mr. President, I do not know where the Senator from Indiana received his information with respect to this chart all of a sudden. It contains a great many figures.

Mr. CAPEHART. I talked for 10 minutes on the subject an hour ago.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. THYE. Mr. President, referring to one item in the chart, lambs and sheep, under the so-called Brannan proposal they represent \$321,000,000. Under the Gore bill they are zero; under the Anderson bill they are zero, and under the so-called Aiken Act they are zero. Anyone endeavoring to study the chart to ascertain what it indicates and what message it endeavors to convey could not follow it, because it indicates that the whole agricultural economy with reference to sheep and lambs would drop out of existence under the Aiken Act, under the Anderson bill, and under the Gore bill, and would only appear in the Agricultural economy under the Brannan program. Everyone knows that sheep and lambs are not going to disappear from the agricultural economy of the United States because of the failure of the Brannan plan to go into effect.

The VICE PRESIDENT. The chart referred to was placed in the *RECORD* by unanimous consent. There is no other business before the Senate except the motion of the Senator from Illinois, which is preferred. The Chair takes the view that the motion to strike from the *RECORD* is in order, if the Senator from Illinois yields for that purpose.

Mr. LUCAS. I yield for that purpose.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. The data having been placed in the *RECORD* by unanimous consent, is it possible to get it out of the *RECORD* without unanimous consent?

The VICE PRESIDENT. The Chair is of the opinion that it can be stricken by a motion.

Mr. THOMAS of Oklahoma. If I may have the floor for a moment, I should like to say that when this matter came up we did not have very much information before the committee as to what the various bills would accomplish. There had been for some time some question as to what the Aiken bill would accomplish. It is not now in effect and will not become effective until the first of January, 1950. So that is an issue which is debatable. The bill which has just been

passed, the so-called Anderson bill, was before the committee, and we did not know what it would accomplish if it became effective. The Gore bill has not been given much consideration on this side, so that we do not know very much about what it would accomplish if the Senate should pass it. So, in order to get some information as to what the Aiken bill would do if it became operative on January 1, to get information as to what the Gore bill would do, information as to what the Anderson bill would do, and information as to what the Brannan bill would do, we submitted a request to an economist in the Department of Agriculture. I placed in the RECORD the name of that economist. He has been in the Department for a long time. He is the only one I could find available to do the work at that time. I asked him to prepare a statement showing the effect of the bills upon the agricultural economy if either of them should become operative. He submitted to me a series of charts in response to my request. I shall be frank with the Senate and say that I do not know how to prepare a chart of that kind. It is an expert matter. It requires someone who is familiar with the various bills and can analyze them and prepare a chart of this character. I am perfectly willing for the Senate to order that the chart, consisting of four pages, be sent to the Department of Agriculture with the request that it be analyzed and a report thereon submitted for the benefit and information of the Senate. When we receive that information, with a formula under which the figures were arrived at, we can still have our own opinions.

The VICE PRESIDENT. Does the Senator from Oklahoma, under the circumstances, ask that the chart be eliminated from the RECORD with the request—

Mr. THOMAS of Oklahoma. No, Mr. President; I cannot do that.

Mr. CAPEHART. Mr. President, I made a motion that the chart be eliminated from the RECORD.

The VICE PRESIDENT. It can be done either by motion or by unanimous consent.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the chart be eliminated from the RECORD and that the Agricultural Department be directed to restudy the chart and to submit one to the Senate based upon what I believe the Department will agree are the facts.

The VICE PRESIDENT. Is there objection?

Mr. THOMAS of Oklahoma. I object to that request.

Mr. CAPEHART. Mr. President, I move that the chart be stricken from the RECORD.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

Mr. CAPEHART. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Kentucky [Mr. CHAPMAN] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Nevada [Mr. McCARRAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Florida [Mr. PEPPER], the Senator from Mississippi [Mr. STENNIS], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Idaho [Mr. TAYLOR] is a member of the committee appointed to attend the funeral of the Honorable Bert H. Miller, late a Senator from Idaho, and is therefore necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate.

The Senator from New York [Mr. DULLES], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mrs. SMITH] are detained on official committee business.

The result was announced—yeas 29, nays 43, as follows:

YEAS—29

Aiken	Hendrickson	Millikin
Baldwin	Hickenlooper	Mundt
Brewster	Ives	Saltonstall
Bridges	Jenner	Schoeppel
Cain	Kem	Taft
Capehart	Knowland	Thye
Donnell	Lodge	Wherry
Ecton	McCarthy	Wiley
Ferguson	Malone	Williams
Gurney	Martin	

NAYS—43

Anderson	Humphrey	Maybank
Chavez	Hunt	Morse
Connally	Johnson, Colo.	Murray
Cordon	Johnson, Tex.	Myers
Douglas	Johnston, S. C.	Neely
Downey	Kerr	O'Connor
Ellender	Kilgore	O'Mahoney
Fulbright	Leahy	Robertson
George	Long	Russell
Graham	Lucas	Thomas, Okla.
Green	McClellan	Thomas, Utah
Hayden	McFarland	Watkins
Hill	McKellar	Young
Hoyer	McMahon	
Holland	Magnuson	

NOT VOTING—23

Bricker	Gillette	Sparkman
Butler	Kefauver	Stennis
Byrd	Langer	Taylor
Chapman	McCarran	Tobey
Dulles	Pepper	Tydings
Eastland	Reed	Vandenberg
Flanders	Smith, Maine	Withers
Frear	Smith, N. J.	

So Mr. CAPEHART's motion was rejected. Mr. LUCAS. Mr. President, I move—

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. LUCAS. I yield for a question.

Mr. DONNELL. I wanted to ask the Senator, as a member of the Committee

on Agriculture and Forestry, whether or not he recalls that some weeks ago in that committee the chairman of the committee inquired, in substance, how many of the members wanted to consider the Brannan plan this year as a long-range price-support plan, and that no member of the committee, unless possibly the chairman, voted in favor of considering the Brannan plan this year?

Mr. LUCAS. I cannot answer the question because it is very possible that the Senator from Illinois was not present at that meeting. I regret to say that I have not been able to attend, I presume, more than one-third of the meetings held by the Committee on Agriculture and Forestry this year, because of the responsibilities I have as majority leader. I cannot answer the question.

Mr. DONNELL. May I have unanimous consent to ask that question of the chairman of the committee?

Mr. LUCAS. If the Senator is not going to get into a long discussion over the matter.

Mr. DONNELL. I should merely like to ask that question.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri that he be permitted to ask the chairman of the committee the question?

Mr. CHAVEZ. Mr. President—

The VICE PRESIDENT. Is there objection?

Mr. CHAVEZ. Yes; I object.

COMMUNISM IN FRANCE

Mr. LODGE. Mr. President, will the Senator from Illinois yield to me?

Mr. LUCAS. I yield.

Mr. LODGE. Mr. President, for the past 2 years Members of the Senate in conversation with me have raised the question of the strength of the Communist Party in France. They very rightly felt that France was the nucleus of western Europe and that with a strong France good results could be expected and that without a strong France success was practically impossible.

It always seemed to me that the belief of so many Senators that this subject was of great importance was well justified. Therefore on my recent trip to Europe I made a special study of the extent of the power and influence of the Communist Party in France. I would like today to present my findings to the Senate on that subject, but I do not wish to inflict a lengthy speech on Senators in these closing hours, and I, therefore, ask unanimous consent that the statement I have prepared may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When the German armies were driven from the major portion of French soil in the latter part of 1944, and French political life stirred anew after the torpor of occupation and the exasperations of exile, the French Communist Party, emerging with a fine resistance record and a tight-knit organization in a period of ideological and economic weakness and confusion, launched its drive for power. Like its affiliates in other European states, it appears from the start to have been guided by this Russian directive: to transform the country by nonrevolutionary

Mr. O'CONOR. Mr. President, may I, as a matter of record, note the fact that in the approval of the judges I certainly thank the Members of the Senate. The nominations were not passed over perfunctorily by the committee, but were given the utmost study as to the legal attainments of the men, their judicial experience and temperaments, and it was found universally that they were acceptable.

Mr. WHERRY. Mr. President, I want to commend the Senator from Maryland for his observation. I think it is a tribute to the members of the committee that they see to it, when judges are nominated, that there is a complete and exhaustive examination into their records. After all, the judiciary is the last bulwark standing between the other two branches of the Government and the people. I deeply appreciate the statement made by the Senator from Maryland. I heartily commend the practice on the part of the committee of which the Senator speaks.

Mr. O'CONOR. Mr. President, if I may make a final observation, it is that the members of the Judiciary Committee, of both parties, from both sides of the aisle, take such matters as among the most serious to which they can be assigned. They have gone into them very exhaustively with the view to having confirmed only judges who are eminently qualified.

UNITED STATES ATTORNEYS

The PRESIDING OFFICER. The clerk will proceed with the executive calendar.

The legislative clerk read the nomination of Joseph A. McNamara, to be United States attorney for the district of Vermont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Timothy T. Cronin, to be United States attorney for the eastern district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles H. Cashin, to be United States attorney for the western district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Herbert I. Hinds, to be United States marshal for the eastern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. LUCAS. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified immediately.

APPROPRIATIONS FOR MILITARY ESTABLISHMENT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, as in legislative session I submit a conference report on House bill 4146, making appropriations for the Military Establishment, and so forth, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 6, 10, 11, 14, 15, 16, 19, 20, 24, 26, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 43, 44, 45, 46, 48, 52, 57, 58, 59, 64, 65, 67, 68, 70, 72, 80, 83, 90, and 92.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 21, 22, 23, 42, 50, 53, 54, 56, 60, 61, 63, 66, 69, 75, 78, 79, 82, 85, 86, 88, and 89, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$30,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$124,675"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,635,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,400,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,336,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,070,000"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the number proposed by said amendment insert "634"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 7, 12, 13, 17, 18, 25, 27, 51, 55, 62, 71, 73, 74, 76, 77, 81, 84, 87, 91, 93, 94, 95, 96, 97, 99, and 100.

ELMER THOMAS,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOSEPH C. O'MAHONEY,
CHAN GURNEY,
STYLES BRIDGES,
KENNETH S. WHERRY,
GUY CORDON,

Managers on the Part of the Senate.

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
CLARENCE CANNON,
ALBERT J. ENGEL,
CHARLES A. PLUMLEY,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. DONNELL. Mr. President, while he is on his feet, will the Senator from Oklahoma be kind enough at this time to yield for a question? I want to state in advance that the question I wish to ask and for which I wish the Senator to yield does not relate to the conference report, and I would not want the Senator to yield unless he understood that in advance. Will the Senator yield for a question on another topic?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I respectfully request the answer of the Senator to this question, whether at some time during the past few weeks, or certainly during this year, there was presented to the Senate Committee on Agriculture and Forestry the question in substance of how many of that committee wanted to consider the Brannan plan this year as a long-range price support plan, and whether it is correct that in response to the inquiry made by the chairman of the committee no one voted in favor of the proposition suggested, with the possible exception of the chairman of the committee? I should like to ask the Senator whether that is a correct statement of fact.

Mr. THOMAS of Oklahoma. Mr. President, so far as I know, when that event transpired, I would not say there was not some discussion of the Brannan plan, and I would not say I tried to find out from the committee whether anyone wanted to have any hearings on the plan. The Senator may be correct in that, but there was no motion made, and no vote recorded.

Mr. DONNELL. Mr. President, will the Senator yield for one further inquiry?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. Does the Senator recall whether the sentiment of the committee was tested, if not by a formal vote, at least by an inquiry to the general effect I have recited, and whether the result of the inquiry was substantially as I have stated?

Mr. THOMAS of Oklahoma. The facts are substantially as follows: The

bill was introduced and was referred to a subcommittee. The subcommittee has not yet made a report on the bill. There has been discussion in the committee with respect to the merits of the Brannan plan, but no hearings were held upon it to speak of, no report was made, so there could be no conclusion reached.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. Was there, according to the best recollection of the Senator, an inquiry of the general effect which I have recited, made to the members of the committee, and in response to it, did any Senator, unless possibly the chairman of the committee, approve the general idea of the consideration of the Brannan plan this year as a long-range price-support plan?

Mr. THOMAS of Oklahoma. The question submitted indicates that I approved the Brannan plan.

Mr. DONNELL. I do not know whether the Senator did approve it.

Mr. THOMAS of Oklahoma. I did not know enough about the Brannan plan to justify a vote either for or against it; and that is my position at this moment.

Mr. DONNELL. Can the Senator tell us whether he has reason to believe that a question presented to the members of the Senate Committee on Agriculture and Forestry brought to his attention the fact that any member of the committee voted in favor or expressed himself in favor of considering the Brannan plan this year as a long-range price-support plan?

Mr. THOMAS of Oklahoma. The record is clear in my committee that there are only three members of the committee who even favored a strict all-out 90 percent support price. Those three are the Senator from South Carolina [Mr. JOHNSTON], the Senator from North Dakota [Mr. YOUNG], and myself. The other members have expressed themselves at different times as being opposed to it and as favoring a so-called flexible program. If that statement is not correct, the Senators can correct me.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. The records of the Committee on Agriculture and Forestry will speak for themselves, as will the votes upon different measures from time to time. There was never a roll-call vote taken, so far as the Senator from Illinois knows, on the Brannan plan. It has been discussed pro and con, here and there, and everywhere.

Mr. THOMAS of Oklahoma. I am sure of that.

Mr. LUCAS. So am I. But so far as what the Senator from Missouri is trying to get from the Senator from Oklahoma is concerned, as I understand, there was never a vote taken directly upon whether we should take up the Brannan plan and vote on it or whether we should accept it or anything else.

Mr. THOMAS of Oklahoma. The statement of the Senator is correct. Quite naturally 6 months after the bill was introduced, on the 31st of May, the Brannan bill has been discussed informally and suggestions have been made, back

and forth, but we never had information upon which we could base a conclusion.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. Did the Senator ask of the Senate Committee on Agriculture and Forestry its opinion and its pleasure with respect to whether the Brannan plan should be considered this year as a long-range price-support plan?

Mr. THOMAS of Oklahoma. When the subcommittee was appointed, it was appointed for the specific purpose of considering the Brannan bill which was introduced by me. It was so stated, and the bill was referred to a subcommittee.

Mr. DONNELL. Was there a question asked by the Senator from Oklahoma or by any other member of the committee to the general effect of eliciting information as to whether the committee itself favored the Brannan plan this year as a long-range price-support plan?

Mr. THOMAS of Oklahoma. I have no such recollection.

Mr. DONNELL. Mr. President, I understood there was no record vote, and I wanted to ask what type of discussion or inquiry had been had.

Mr. THOMAS of Oklahoma. It was wholly informal, if it took place at all.

Mr. DONNELL. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate agree to the conference report.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Is the Senator going to make an explanation of the points in disagreement?

Mr. THOMAS of Oklahoma. From this time on I shall.

Mr. WHERRY. I do not object. I wanted to be sure that the Senator would bring out the two salient points on which there was disagreement.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4146, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

October 10, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 3, 12, 17, 18, 25, 27, 51, 55, 62, 71, 76, and 84 to the bill (H. R. 4146) entitled "An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment as follows: In lieu of the sum stated in said amendment insert "\$47,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert: "Provided further, That, notwithstanding the provisions of the foregoing proviso, the Sec-

retary of the Army is authorized to purchase from the Commodity Credit Corporation any food products owned and stored by such Corporation which the Secretary determines to be of satisfactory quality for the use of the Military Establishment, or for civilian feeding in occupied areas."

That the House recede from its disagreement to the amendment of the Senate numbered 87 and concur therein with an amendment as follows: In lieu of the language stricken by said amendment insert:

"The act of June 30, 1949 (Public Law 154), as amended, making temporary appropriations for the fiscal year 1950 shall not be construed to have in any manner suspended the operation of the act of July 2, 1945 (Public Law 120, 79th Congress) authorizing military personnel to occupy certain Government housing facilities on a rental basis without loss of rental or quarters allowance."

That the House recede from its disagreement to the amendment of the Senate numbered 91 and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment insert the following:

"Sec. 622. (a) All negotiated contracts for procurement in excess of \$1,000 entered into during the fiscal year 1950 by or on behalf of the Department of Defense (including the Department of the Army, Department of the Navy, and Department of the Air Force), and all subcontracts thereunder in excess of \$1,000, are hereby made subject to the Renegotiation Act of 1948 in the same manner and to the same extent as if such contracts and subcontracts were required by such act to contain the renegotiation article prescribed in subsection (a) of such act. Each contract and subcontract made subject to the Renegotiation Act of 1948 by this section shall contain an article stating that it is subject to the Renegotiation Act of 1948. In determining whether the amounts received or accrued to a contractor or subcontractor during his fiscal year from contracts and subcontracts subject to the Renegotiation Act of 1948 amount in the aggregate to \$100,000, receipts or accruals from contracts and subcontracts made subject to such act by this section shall be added to receipts or accruals from all other contracts and subcontracts subject to such act.

"(b) Notwithstanding any agreement to the contrary, the profit limitation provisions of the Act of March 27, 1934 (48 Stat. 503, 505), as amended and supplemented, shall not apply to any contract or subcontract which is subject to the Renegotiation Act of 1948."

That the House recede from its disagreement to the amendment of the Senate numbered 93 and concur therein with an amendment as follows: In line 1 of said amendment strike out "Sec. 630" and insert "Sec. 629", and in the last proviso of said amendment strike out "In time of war or national emergency."

That the House recede from its disagreement to the amendment of the Senate numbered 94 and concur therein with an amendment as follows: In line 1 of said amendment strike out "Sec. 631" and insert "Sec. 630."

That the House recede from its disagreement to the amendment of the Senate numbered 95 and concur therein with an amendment as follows: In line 1 of said amendment strike out "Sec. 632" and insert "Sec. 631."

That the House recede from its disagreement to the amendment of the Senate numbered 96 and concur therein with an amendment as follows: In line 1 of said amendment strike out "Sec. 633" and insert "Sec. 632."

That the House recede from its disagreement to the amendment of the Senate numbered 97 and concur therein with an amendment as follows: In line 1 of said amendment strike out "Sec. 634" and insert "Sec. 633."

81ST CONGRESS
1ST SESSION

H. R. 5345

IN THE SENATE OF THE UNITED STATES

OCTOBER 12 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed with the amendments of the Senate

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended,
and for other purposes.

*Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,*

TITLE I—1950 PRICE STABILIZATION

SECTION 1. Notwithstanding any other provision of
law, the Secretary of Agriculture is authorized and directed
through any instrumentality or agency within or under the
direction of the Department of Agriculture, by loans, pur-
chases, or other operations—

(a) To support prices received by producers of cotton,
wheat, corn, tobacco, rice, and peanuts marketed before
June 30, 1951 (September 30, 1951, in the case of Mary-

land and the cigar-leaf types of tobacco), if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which the crop is harvested. The price support authorized by this subsection shall be made available as follows:

(1) To cooperators at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To noncooperators at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are consistent with the provisions of this subsection, be applicable with respect to loans or other price-support operations authorized under this subsection, except that for the purpose of computing the parity price for Maryland tobacco the base period shall be the period August 1936 to July 1941 in lieu of the period August 1919 to July 1929.

(b) To support until January 1, 1951, a price to producers of commodities with respect to which the Secretary of Agriculture by public announcement pursuant to

1 the provisions of the Act of July 1, 1941, as amended,
2 requested an expansion of production of not less than 60
3 per centum of the parity or comparable price therefor nor
4 more than the level at which such commodity was supported
5 in 1948, except that milk and its products, hogs, chickens,
6 and eggs shall be supported at 90 per centum of the parity
7 or comparable price. The comparable price for any such
8 commodity shall be determined and used by the Secretary
9 for the purposes of this subsection if the production or con-
10 sumption of such commodity has so changed in extent or
11 character since the base period as to result in a price out
12 of line with parity prices for the commodities referred to
13 in (a) hereof. In carrying out the provisions of this sub-
14 section the Secretary of Agriculture shall have the authority
15 to require compliance with production goals and marketing
16 regulations as a condition to eligibility of producers for price
17 support.

18 (e) Price supports shall be made available to the pro-
19 ducers of cottonseed at levels not in excess of parity, taking
20 into account the price levels at which other commodities are
21 being supported.

22 (d) Sections 1 and 2 of the Act approved August 5,
23 1947 (Public Law 360, Eightieth Congress) are amended
24 by striking out in each section the date "June 30, 1950"

1 wherever it appears and inserting in lieu thereof the date
2 "June 30, 1951" and by adding a new section reading
3 as follows:

4 "SEC. 4. Mohair shall be supported at not in excess of
5 90 per centum of the parity price, taking into account the
6 price level at which wool is being supported."

7 (e) It is hereby declared to be the policy of the Con-
8 gress that the lending and purchase operations of the Depart-
9 ment of Agriculture (other than those referred to in subsec-
10 tions (a), (b), and (c) hereof) shall be carried out until
11 January 1, 1951, so as to bring the price and income of the
12 producers of other agricultural commodities not covered by
13 subsections (a), (b), and (c) to a fair parity relationship
14 with the commodities included under subsections (a), (b),
15 and (c), to the extent that funds for such operations are
16 available after taking into account the operations with re-
17 spect to the commodities covered by subsections (a), (b),
18 and (c). In carrying out the provisions of this subsection
19 the Secretary of Agriculture shall have the authority to
20 require compliance with production goals and marketing
21 regulations as a condition to eligibility of producers for price
22 support.

23 SEC. 2. From any funds available to the Department
24 of Agriculture or any agency operating under its direction
25 for price-support operations or for the disposal of agricultural

1 commodities, the Secretary of Agriculture is authorized and
2 directed to use such sums as may be necessary to carry out
3 the provisions of section 1 of this Act.

4 SEC. 3. Section 22 of the Agricultural Adjustment Act,
5 as added by section 31 of the Act of August 24, 1935 (49
6 Stat. 773), reenacted by section 1 of the Agricultural Mar-
7 keting Agreement Act of 1937 (50 Stat. 246), as amended,
8 is hereby amended to read as follows:

9 “SEC. 22. (a) Whenever the President has reason to
10 believe that any article or articles are being or are practically
11 certain to be imported into the United States under such
12 conditions and in such quantities as to render or tend to
13 render ineffective, or materially interfere with, any program
14 or operation undertaken under this title or the Soil Con-
15 servation and Domestic Allotment Act, as amended, or
16 section 32, Public Law Numbered 320, Seventy-fourth Con-
17 gress, approved August 24, 1935, as amended, or any loan,
18 purchase, or other program or operation undertaken by the
19 Department of Agriculture, or any agency operating under its
20 direction, with respect to any agricultural commodity or prod-
21 uct thereof, or to reduce substantially the amount of any
22 product processed in the United States from any agricultural
23 commodity or product thereof with respect to which any such
24 program or operation is being undertaken, he shall cause an
25 immediate investigation to be made by the United States

1 Tariff Commission, which shall give precedence to investiga-
2 tions under this section to determine such facts. Such in-
3 vestigation shall be made after due notice and opportunity for
4 hearing to interested parties, and shall be conducted subject
5 to such regulations as the President shall specify.

6 “(b) If, on the basis of such investigation and report
7 to him of findings and recommendations made in connection
8 therewith, the President finds the existence of such facts,
9 he shall by proclamation impose such fees not in excess of
10 50 per centum ad valorem or such quantitative limitations on
11 any article or articles which may be entered, or withdrawn
12 from warehouse, for consumption as he finds and declares
13 shown by such investigation to be necessary in order that
14 the entry of such article or articles will not render or tend
15 to render ineffective, or materially interfere with, any pro-
16 gram or operation referred to in subsection (a), of this sec-
17 tion, or reduce substantially the amount of any product
18 processed in the United States from any such agricultural
19 commodity or product thereof with respect to which any
20 such program or operation is being undertaken: *Provided,*
21 That no proclamation under this section shall impose any
22 limitation on the total quantity of any article or articles which
23 may be entered, or withdrawn from warehouse, for consump-
24 tion which reduces such permissible total quantity to propor-
25 tionately less than 50 per centum of the total quantity of

1 such article or articles which was entered, or withdrawn
2 from warehouse, for consumption during a representative
3 period as determined by the President: *And provided further,*
4 That in designating any article or articles, the President may
5 describe them by physical qualities, value, use, or upon
6 such other bases as he shall determine.

7 “(c) The fees and limitations imposed by the President
8 by proclamation under this section and any revocation, sus-
9 pension, or modification thereof, shall become effective on
10 such date as shall be therein specified, and such fees shall
11 be treated for administrative purposes and for the purposes
12 of section 32 of Public Law Numbered 320, Seventy-fourth
13 Congress, approved August 24, 1935, as amended, as duties
14 imposed by the Tariff Act of 1930, but such fees shall not
15 be considered as duties for the purpose of granting any pref-
16 erential concession under any international obligation of the
17 United States.

18 “(d) After investigation, report, finding, and declara-
19 tion in the manner provided in the case of a proclamation
20 issued pursuant to subsection (b) of this section, any proe-
21 clamation or provision of such proclamation may be suspended
22 or terminated by the President whenever he finds and pro-
23 claims that the circumstances requiring the proclamation or
24 provision thereof no longer exist or may be modified by the
25 President whenever he finds and proclaims that changed

1 circumstances require such modification to carry out the
2 purposes of this section.

3 “(e) Any decision of the President as to facts under
4 this section shall be final.

5 “(f) No proclamation under this section shall be en-
6 forced in contravention of any treaty or other international
7 agreement to which the United States is or hereafter becomes
8 a party.”

9 SEC. 4. Section 8 (a), as amended, of the Soil Con-
10 servation and Domestic Allotment Act is amended (a) by
11 striking out “January 1, 1949” wherever appearing therein
12 and inserting in lieu thereof “January 1, 1951”, and (b)
13 by striking out “December 31, 1948” and inserting in lieu
14 thereof “December 31, 1950”.

15 SEC. 5. Notwithstanding any of the provisions of this
16 Act, the Act of July 28, 1945 (59 Stat. 506) shall continue
17 in effect.

18 SEC. 6. This title shall take effect on January 1, 1950,
19 except that sections 3 and 4 shall take effect on the date of
20 enactment of this Act.

21 SEC. 7. Titles II and III of the Agricultural Act of
22 1948 are repealed.

1 That this Act may be cited as the "Agricultural Act of
2 1949".

3 TITLE I—BASIC AGRICULTURAL
4 COMMODITIES

5 SEC. 101. The Secretary of Agriculture (hereinafter
6 called the "Secretary") is authorized and directed to make
7 available through loans, purchases, or other operations, price
8 support to cooperators for any crop of any basic agricul-
9 tural commodity, if producers have not disapproved mar-
10 keting quotas for such crop, at a level not in excess of 90
11 per centum of the parity price of the commodity nor less
12 than the level provided in subsections (a), (b), and (c) as
13 follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
<i>Not more than 108</i> -----	90
<i>More than 108 but not more than 110</i> -----	89
<i>More than 110 but not more than 112</i> -----	88
<i>More than 112 but not more than 114</i> -----	87
<i>More than 114 but not more than 116</i> -----	86
<i>More than 116 but not more than 118</i> -----	85
<i>More than 118 but not more than 120</i> -----	84
<i>More than 120 but not more than 122</i> -----	83
<i>More than 122 but not more than 124</i> -----	82
<i>More than 124 but not more than 125</i> -----	81
<i>More than 125 but not more than 126</i> -----	80
<i>More than 126 but not more than 127</i> -----	79
<i>More than 127 but not more than 128</i> -----	78
<i>More than 128 but not more than 129</i> -----	77
<i>More than 129 but not more than 130</i> -----	76
<i>More than 130</i> -----	75

1 (c) For tobacco, if marketing quotas are in effect, the
2 level of support shall be 90 per centum of the parity price.

3 (d) Notwithstanding the foregoing provisions of this
4 section—

5 (1) the level of support to cooperators shall be 90
6 per centum of the parity price for a crop of any basic
7 agricultural commodity for which marketing quotas or
8 acreage allotments are in effect immediately following
9 a crop for which neither marketing quotas nor acreage
10 allotments were in effect;

11 (2) the level of price support to cooperators for
12 any crop of a basic agricultural commodity, except
13 tobacco, for which marketing quotas have been dis-
14 approved by producers shall be 50 per centum of the
15 parity price of such commodity; and no price support

shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(3) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(4) price support may be made available to non-cooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool, tung nuts, honey, Irish potatoes, milk, and butterfat as follows:

(a) The price of wool shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of tung nuts, honey, and early, inter-

mediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

(c) The price of whole milk and butterfat, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of such commodities.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess

- 1 of 90 per centum of the parity price of such commodity
 2 nor less than the level provided in the following table:

<i>If the supply percentage as of the beginning of the marketing year is:</i>	<i>The level of support shall be not less than the following percentage of the parity price:</i>
<i>Not more than 102-----</i>	<i>90</i>
<i>More than 102 but not more than 104-----</i>	<i>89</i>
<i>More than 104 but not more than 106-----</i>	<i>88</i>
<i>More than 106 but not more than 108-----</i>	<i>87</i>
<i>More than 108 but not more than 110-----</i>	<i>86</i>
<i>More than 110 but not more than 112-----</i>	<i>85</i>
<i>More than 112 but not more than 114-----</i>	<i>84</i>
<i>More than 114 but not more than 116-----</i>	<i>83</i>
<i>More than 116 but not more than 118-----</i>	<i>82</i>
<i>More than 118 but not more than 120-----</i>	<i>81</i>
<i>More than 120 but not more than 122-----</i>	<i>80</i>
<i>More than 122 but not more than 124-----</i>	<i>79</i>
<i>More than 124 but not more than 126-----</i>	<i>78</i>
<i>More than 126 but not more than 128-----</i>	<i>77</i>
<i>More than 128 but not more than 130-----</i>	<i>76</i>
<i>More than 130-----</i>	<i>75</i>

- 3 *Provided, That the level of price support may be less*
 4 *than the minimum level provided in the foregoing table if*
 5 *the Secretary, after examination of the availability of funds*
 6 *for mandatory price support programs and consideration*
 7 *of the other factors specified in section 401 (b), determines*
 8 *that such lower level is desirable and proper.*

- 9 *SEC. 303. Should a price support operation be under-*
 10 *taken with respect to any poultry, those chickens known as*
 11 *broilers shall also be supported (1) at a percentage of the*
 12 *parity price for broilers which is not less than the percentage of*
 13 *parity at which the price of such other poultry is supported,*
 14 *and (2) in a manner which is not less favorable to broiler*

1 producers than that in which the price of such other poultry
2 is supported.

3 *SEC. 304. In determining the level of price support for*
4 *any nonbasic agricultural commodity under this title, par-*
5 *ticular consideration shall be given to the levels at which the*
6 *prices of competing agricultural commodities are being*
7 *supported.*

8 *TITLE IV—MISCELLANEOUS*

9 *SEC. 401. (a) The Secretary shall provide the price*
10 *support authorized or required herein through the Com-*
11 *modity Credit Corporation and other means available to him.*

12 *(b) Except as otherwise provided in this Act, the*
13 *amounts, terms, and conditions of price support operations*
14 *and the extent to which such operations are carried out,*
15 *shall be determined or approved by the Secretary. The*
16 *following factors shall be taken into consideration in deter-*
17 *mining, in the case of any commodity for which price*
18 *support is discretionary, whether a price-support operation*
19 *shall be undertaken and the level of such support and, in*
20 *the case of any commodity for which price support is*
21 *mandatory, the level of support in excess of the minimum*
22 *level prescribed for such commodity: (1) the supply of the*
23 *commodity in relation to the demand therefor, (2) the*
24 *price levels at which other commodities are being supported*
25 *and, in the case of feed grains, the feed values of such*

1 grains in relation to corn, (3) the availability of funds,
 2 (4) the perishability of the commodity, (5) the importance
 3 of the commodity to agriculture and the national economy,
 4 (6) the ability to dispose of stocks acquired through a price-
 5 support operation, (7) the need for offsetting temporary
 6 losses of export markets, and (8) the ability and willingness
 7 of producers to keep supplies in line with demand.

8 (c) Compliance by the producer with acreage allot-
 9 ments, production goals and marketing practices (including
 10 marketing quotas when authorized by law), prescribed by
 11 the Secretary, may be required as a condition of eligibility
 12 for price support.

13 (d) The level of price support for any commodity shall
 14 be determined upon the basis of its parity price as of the
 15 beginning of the marketing year or season in the case of
 16 any commodity marketed on a marketing year or season basis
 17 and as of January 1 in the case of any other commodity.

18 SEC. 402. Notwithstanding any other provision of this
 19 Act, price support at a level in excess of the maximum level
 20 of price support otherwise prescribed in this Act may be
 21 made available for any agricultural commodity if the Secre-
 22 tary determines, after a public hearing of which reasonable
 23 notice has been given, that price support at such increased
 24 level is necessary in order to prevent or alleviate a shortage
 25 in the supply of any agricultural commodity essential to the

1 national welfare or in order to increase or maintain the
2 production of any agricultural commodity in the interest of
3 national security. The Secretary's determination and the
4 record of the hearing shall be available to the public.

5 *SEC. 403.* Appropriate adjustments may be made in the
6 support price for any commodity for differences in grade,
7 type, staple, quality, location, and other factors. Such ad-
8 justments shall, so far as practicable, be made in such manner
9 that the average support price for such commodity will,
10 on the basis of the anticipated incidence of such factors, be
11 equal to the level of support determined as provided in this
12 Act. Middling seven-eighths inch cotton shall be the stand-
13 ard grade for purposes of parity and price support.

14 *SEC. 404.* The Secretary, in carrying out programs under
15 section 32 of Public Law Numbered 320, Seventy-fourth
16 Congress, approved August 24, 1935, as amended, and sec-
17 tion 6 of the National School Lunch Act, may utilize the
18 services and facilities of the Commodity Credit Corporation
19 (including but not limited to procurement by contract), and
20 make advance payments to it.

21 *SEC. 405.* No producer shall be personally liable for
22 any deficiency arising from the sale of the collateral securing
23 any loan made under authority of this Act unless such loan
24 was obtained through fraudulent representations by the pro-
25 ducer. This provision shall not, however, be construed to

1 prevent the Commodity Credit Corporation or the Secretary
2 from requiring producers to assume liability for deficiencies
3 in the grade, quality, or quantity of commodities stored on
4 the farm or delivered by them, for failure properly to care
5 for and preserve commodities, or for failure or refusal to de-
6 liver commodities in accordance with the requirements of
7 the program.

8 SEC. 406. Nothing in this Act shall prevent the an-
9 nouncement of the level of price support for any agricultural
10 commodity in advance of the beginning of the marketing
11 year or season (January 1 in the case of commodities not
12 marketed on a marketing year or season basis) if the level
13 of price support so announced does not exceed the estimated
14 maximum level of price support specified in this Act, based
15 upon the latest information and statistics available to the
16 Secretary when such level of price support is announced;
17 and the level of price support so announced shall not be
18 reduced if the maximum level of price support when deter-
19 mined, is less than the level so announced.

20 SEC. 407. The Commodity Credit Corporation may
21 sell any farm commodity owned or controlled by it at any
22 price not prohibited by this section. In determining sales
23 policies for basic agricultural commodities or storable non-
24 basic commodities, the Corporation should give consideration

1 to the establishing of such policies with respect to prices, terms,
2 and conditions as it determines will not discourage or deter
3 manufacturers, processors, and dealers from acquiring and
4 carrying normal inventories of the commodity of the current
5 crop. The Corporation shall not sell any basic agricultural
6 commodity or storable nonbasic commodities at less than 5
7 per centum above the current support price for such com-
8 modity, plus all accrued charges, including interest on such
9 commodity from the first day of the marketing year in which
10 such sale is made. The foregoing restrictions shall not apply
11 to (A) sales for new or byproduct uses; (B) sales of peanuts
12 and oilseeds for the extraction of oil; (C) sales for seed or
13 feed if such sales will not substantially impair any price-
14 support program; (D) sales of commodities which have
15 substantially deteriorated in quality or as to which there is
16 a danger of loss or waste through deterioration or spoilage;
17 (E) sales for the purpose of establishing claims arising out
18 of contract or against persons who have committed fraud,
19 misrepresentation, or other wrongful acts with respect to the
20 commodity; (F) sales for export; (G) sales of wool; and
21 (H) sales for other than primary uses.

22 SEC. 408. For the purposes of this Act—

23 (a) A commodity shall be considered storable upon
24 determination by the Secretary that, in normal trade

1 practice, it is stored for substantial periods of time and
2 that it can be stored under the price-support program with-
3 out excessive loss through deterioration or spoilage or with-
4 out excessive cost for storage for such periods as will permit
5 its disposition without substantial impairment of the effec-
6 tiveness of the price-support program.

7 (b) A "cooperator" with respect to any basic agri-
8 cultural commodity shall be a producer on whose farm the
9 acreage planted to the commodity does not exceed the farm
10 acreage allotment for the commodity under title III of the
11 Agricultural Adjustment Act of 1938, as amended, or in the
12 case of price support for corn to a producer outside the com-
13 mercial corn-producing area, a producer who complies with
14 conditions of eligibility prescribed by the Secretary. For
15 the purpose of this subsection, a producer shall not be deemed
16 to have exceeded his farm acreage allotment unless such
17 producer knowingly exceeded such allotment.

18 (c) A "basic agricultural commodity" shall mean corn,
19 cotton, peanuts, rice, tobacco, and wheat, respectively.

20 (d) A "nonbasic agricultural commodity" shall mean
21 any agricultural commodity other than a basic agricultural
22 commodity.

23 (e) The "supply percentage" as to any commodity shall
24 be the percentage which the estimated total supply is of

1 the normal supply as determined by the Secretary from the
2 latest available statistics of the Department of Agriculture
3 as of the beginning of the marketing year for the commodity.

4 (f) "Total supply" of any nonbasic agricultural com-
5 modity for any marketing year shall be the carry-over at
6 the beginning of such marketing year, plus the estimated
7 production of the commodity in the United States during
8 the calendar year in which such marketing year begins
9 and the estimated imports of the commodity into the United
10 States during such marketing year.

11 (g) "Carry-over" of any nonbasic agricultural com-
12 modity for any marketing year shall be the quantity of the
13 commodity on hand in the United States at the beginning
14 of such marketing year, not including any part of the crop
15 or production of such commodity which was produced in the
16 United States during the calendar year then current. The
17 carry-over of any such commodity may also include the
18 quantity of such commodity in processed form on hand in
19 the United States at the beginning of such marketing year,
20 if the Secretary determines that the inclusion of such proc-
21 essed quantity of the commodity is necessary to effectuate
22 the purposes of this Act.

23 (h) "Normal supply" of any nonbasic agricultural com-
24 modity for any marketing year shall be (1) the estimated
25 domestic consumption of the commodity for the marketing

1 year for which such normal supply is being determined,
2 plus (2) the estimated exports of the commodity for such
3 marketing year, plus (3) an allowance for carry-over. The
4 allowance for carry-over shall be the average carry-over of
5 the commodity for the five marketing years immediately
6 preceding the marketing year in which such normal supply
7 is determined, adjusted for surpluses or deficiencies caused by
8 abnormal conditions, changes in marketing conditions, or
9 the operation of any agricultural program. In determining
10 normal supply, the Secretary shall make such adjustments
11 for current trends in consumption and for unusual conditions
12 as he may deem necessary, and shall exclude any abnormal
13 consumption or exports resulting from export or diversion
14 operations of the Department of Agriculture or any of its
15 agencies (other than operations pursuant to an international
16 agreement ratified by the Senate) which result in losses to
17 such Department or agencies.

18 (i) "Marketing year" for any nonbasic agricultural
19 commodity means any period determined by the Secretary
20 during which substantially all of a crop or production of
21 such commodity is normally marketed by the producers
22 thereof.

23 (j) Any term defined in the Agricultural Adjustment
24 Act of 1938, shall have the same meaning when used in
25 this Act.

1 *SEC. 409. (a) Section 301 (a) (1) (B) of the Agri-*
2 *cultural Adjustment Act of 1938, as amended by the*
3 *Agricultural Act of 1948 (defining "adjusted base price"),*
4 *is amended by adding at the end thereof the following: "As*
5 *used in this subparagraph, the term 'prices' shall include*
6 *wartime subsidy payments made to producers under pro-*
7 *grams designed to maintain maximum prices established*
8 *under the Emergency Price Control Act of 1942."*

9 *(b) Section 301 (a) (1) (C) of such Act, as so*
10 *amended (defining "parity index", is amended (1) by*
11 *inserting after the word "buy" a comma and the following:*
12 *"wages paid hired farm labor", and (2) by inserting after*
13 *"such prices" a comma and the word "wages".*

14 *(c) Section 301 (b) (10) (A) of such Act, as so*
15 *amended (defining "normal supply"), is amended (1) by*
16 *striking out "7 per centum in the case of corn" and insert-*
17 *ing in lieu thereof "15 per centum in the case of corn", and*
18 *(2) by inserting before the period at the end of the last sen-*
19 *tence thereof a comma and the following: "and shall exclude*
20 *any abnormal consumption or exports resulting from export*
21 *or diversion operations of the Department of Agriculture*
22 *or any of its agencies (other than operations pursuant to*
23 *an international agreement ratified by the Senate) which*
24 *result in losses to such Department or agencies".*

25 *(d) Section 322 (a) of such Act, as so amended (re-*

1 *lating to corn marketing quotas), is amended (1) by striking*
 2 *out "20 per centum" and inserting in lieu thereof "10 per*
 3 *centum", and (2) by adding at the end thereof the following:*
 4 *"With respect to the 1950 crop of corn the determination*
 5 *and proclamation required by this section may be made, not-*
 6 *withstanding the foregoing, at any time prior to February*
 7 *1, 1950, using 1949 as 'such calendar year' for the purposes*
 8 *of (1) and (2) of the preceding sentence."*

9 *(e) Section 328 of such Act, as so amended (relating*
 10 *to corn acreage allotments), is amended by striking out*
 11 *"reserve supply level" and inserting in lieu thereof "normal*
 12 *supply".*

13 *SEC. 410. Section 4 of the Act of March 8, 1938, as*
 14 *amended (15 U. S. C., 1946 edition, 713a-4), is amended*
 15 *by substituting a colon for the period at the end of the*
 16 *next to the last sentence thereof and adding the following:*
 17 *"Provided, That this sentence shall not limit the authority*
 18 *of the Corporation to issue obligations for the purpose of*
 19 *carrying out its annual budget programs submitted to and*
 20 *approved by the Congress pursuant to the Government Cor-*
 21 *poration Control Act (31 U. S. C., 1946 edition, sec. 841)."*

22 *SEC. 411. Section 32, as amended, of the Act entitled*
 23 *"An Act to amend the Agricultural Adjustment Act, and*
 24 *for other purposes", approved August 24, 1935 (U. S. C.,*
 25 *title 7, sec. 612c), is amended by inserting before the last*

1 sentence thereof the following: "The sums appropriated
2 under this section shall be devoted principally to perishable
3 nonbasic agricultural commodities (other than those desig-
4 nated in title II of the Agricultural Act of 1949) and their
5 products."

6 *SEC. 412. Determinations made by the Secretary under*
7 *this Act shall be final and conclusive: Provided, That the*
8 *scope and nature of such determinations shall not be incon-*
9 *sistent with the provisions of the Commodity Credit Corpora-*
10 *tion Charter Act.*

11 *SEC. 413. This Act shall not be effective with respect to*
12 *price support operations for any agricultural commodity for*
13 *any marketing year or season commencing prior to January*
14 *1, 1950, except to the extent that the Secretary of Agricul-*
15 *ture shall, without reducing price support theretofore under-*
16 *taken or announced, elect to apply the provisions of this Act.*

17 *SEC. 414. Section 302 of the Agricultural Adjustment*
18 *Act of 1938, as amended, and any provision of law in con-*
19 *flict with the provisions of this Act are hereby repealed.*

20 *SEC. 415. Subsection (f) of section 22 of the Agricul-*
21 *tural Adjustment Act, as reenacted by section 3 of the*
22 *Agricultural Act of 1948 (Public Law 897, Eightieth Con-*
23 *gress), is hereby amended to read as follows:*

24 *"(f) No international agreement hereafter shall be*
25 *entered into by the United States, or renewed, extended or*

1 allowed to extend beyond its permissible termination date
2 in contravention of this section.”

3 *SEC. 416. (a) Except to the extent superseded by Pub-*
4 *lic Law 272, Eighty-first Congress, sections 201 (b), 201*
5 *(d), 201 (e), 203, 204, 206, 207, and 208 of the Agri-*
6 *cultural Act of 1948 shall be effective for the purpose of*
7 *taking any action with respect to the 1950 and subsequent*
8 *crops upon the enactment of this Act. If the time within*
9 *which any such action is required to be taken shall have*
10 *elapsed prior to the enactment of this Act, such action shall*
11 *be taken within thirty days after the enactment of this Act.*

12 *(b) No provision of the Agricultural Act of 1948 shall*
13 *be deemed to supersede any provision of Public Law 272,*
14 *Eighty-first Congress.*

15 *SEC. 417. In order to prevent the waste of food com-*
16 *modities acquired through price support operations which*
17 *are found to be in imminent danger of loss through deteriora-*
18 *tion or spoilage, the Secretary of Agriculture and the Com-*
19 *modity Credit Corporation are directed to make such*
20 *commodities available at the point of storage at no cost, save*
21 *handling and transportation costs incurred in making de-*
22 *livery from the point of storage, to school-lunch programs*
23 *when approved by the Secretary, and to the Bureau of*
24 *Indian Affairs and to Federal, State, and local public*
25 *welfare organizations for the assistance of needy Indians*

1 and other needy persons: Provided, That the Secretary of
2 Agriculture is authorized within his discretion to make
3 available, under rules and regulations to be made and an-
4 nounced, any of such surplus commodities to the Cooperative
5 for American Remittances to Europe, Incorporated (CARE),
6 for relief in Europe and Asia: And provided further, That
7 upon application of the Munitions Board or any other Fed-
8 eral agency for any part of the accumulated supplies on
9 hand at any time for use in making payment for commodi-
10 ties not produced in the United States, the Secretary of
11 Agriculture may approve such application or applications
12 and thereafter make such commodities available on such terms,
13 rules and regulations as may be deemed in the public interest.

14 SEC. 418. (a) Section 41 of the Farm Credit Act of
15 1933 (U. S. C., title 12, sec. 1134c) is amended by adding
16 at the end thereof the following:

17 "Notwithstanding any limitations or conditions imposed
18 by law, but subject to the availability of appropriations, each
19 Bank for Cooperatives shall have power and authority to
20 make separate loans to cooperative associations as defined
21 in the Agricultural Marketing Act, as amended, for the pur-
22 pose of financing the construction of grain storage structures
23 in amounts up to a maximum of 90 per centum of the cost
24 of such grain storage structures, as approved by the Bank
25 for Cooperatives to whom application is made for the loan:

1 *Provided, That the cooperative association which has applied*
2 *for any loan shall have furnished to the Bank for Coopera-*
3 *tives an appropriate commitment from the Commodity Credit*
4 *Corporation that the Commodity Credit Corporation will*
5 *lease not less than 75 per centum of the storage space con-*
6 *tained in such grain storage structures when completed for*
7 *a period of at least three years if such structures are not*
8 *additions to existing structures, or two years if such struc-*
9 *tures are additions to existing structures."*

10 (b) *Section 34 of the Farm Credit Act of 1933*
11 *(U. S. C., title 12, sec. 1134j) is amended by adding*
12 *at the end thereof the following:*

13 "Notwithstanding any limitations or conditions im-
14 posed by law, but subject to the availability of appropria-
15 tions, the Central Bank for Cooperatives shall have power
16 and authority to make separate loans to cooperative
17 associations as defined in the Agricultural Marketing Act,
18 as amended, for the purpose of financing the construction
19 of grain storage structures in amounts up to a maximum
20 of 90 per centum of the cost of such grain storage struc-
21 tures, as approved by such bank: *Provided, That the coop-*
22 *erative association which has applied for any loan shall have*
23 *furnished to such bank an appropriate commitment from*
24 *the Commodity Credit Corporation that the Commodity*
25 *Credit Corporation will lease not less than 75 per centum*

1 of the storage space contained in such grain storage struc-
2 tures when completed for a period of at least three years
3 if such structures are not additions to existing structures,
4 or two years if such structures are additions to existing
5 structures.”

6 *SEC. 419. (a) Sections 353, 354, 355, and 356 of*
7 *the Agricultural Adjustment Act of 1938, as amended,*
8 *are amended to read as follows:*

9 “*APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT*

10 “*SEC. 353. (a) The national acreage allotment of*
11 *rice for each calendar year shall be apportioned by the*
12 *Secretary among the several States in which rice is pro-*
13 *duced in proportion to the average number of acres of*
14 *rice in each State during the five-year period immediately*
15 *preceding the calendar year for which such national acreage*
16 *allotment of rice is determined (plus, in applicable years,*
17 *the acreage diverted under previous agricultural adjust-*
18 *ment and conservation programs) with adjustments for*
19 *trends in acreage during the applicable period.*

20 “(b) *The State acreage allotment shall be apportioned*
21 *to farms owned or operated by persons who have produced*
22 *rice in any one of the five calendar years immediately pre-*
23 *ceding the year for which such apportionment is made on the*
24 *basis of past production of rice by the producer on the farm*
25 *taking into consideration the acreage allotments previously*

1 established for such owners or operators; abnormal condi-
2 tions affecting acreage; land, labor, and equipment available
3 for the production of rice; crop rotation practices; and the
4 soil and other physical factors affecting the production of
5 rice: *Provided, That if the State committee recommends such*
6 *action and the Secretary determines that such action will*
7 *facilitate the effective administration of the Act, he may pro-*
8 *vide for the apportionment of the State acreage allotment to*
9 *farms on which rice has been produced during any one of*
10 *such period of years on the basis of the foregoing factors,*
11 *using past production of rice on the farm and the acreage*
12 *allotments previously established for the farm in lieu of past*
13 *production of rice by the producer and the acreage allotments*
14 *previously established for such owners or operators. Not*
15 *more than 3 per centum of the State acreage allotment shall*
16 *be apportioned among farms operated by persons who will*
17 *produce rice during the calendar year for which the allot-*
18 *ment is made but who have not produced rice in any one of*
19 *the past five years, on the basis of the applicable apporportion-*
20 *ment factors set forth herein: Provided, That in any State*
21 *in which allotments are established for farms on the basis*
22 *of past production of rice on the farm such percentage of*
23 *the State acreage allotment shall be apportioned among the*
24 *farms on which rice is to be planted during the calendar*
25 *year for which the apportionment is made but on which rice*

1 was not planted during any of the past five years, on the
2 basis of the applicable apportionment factors set forth herein.

3 “(c) Notwithstanding any other provision of this Act,
4 any acreage planted to rice in excess of the farm acreage
5 allotment shall not be taken into account in establishing State
6 and farm acreage allotments.

7 “MARKETING QUOTAS

8 “SEC. 354. (a) Whenever in any calendar year the
9 Secretary determines that the total supply of rice for the
10 marketing year beginning in such calendar year will exceed
11 the normal supply for such marketing year by more than
12 10 per centum, the Secretary shall not later than Decem-
13 ber 31 of such calendar year proclaim such fact and mar-
14 keting quotas shall be in effect for the crop of rice produced
15 in the next calendar year.

16 “(b) Within thirty days after the date of the issuance
17 of the proclamation specified in subsection (a) of this sec-
18 tion, the Secretary shall conduct a referendum by secret
19 ballot of farmers engaged in the production of the immedi-
20 ately preceding crop of rice to determine whether such farm-
21 ers are in favor of or opposed to such quotas. If more than
22 one-third of the farmers voting in the referendum oppose
23 such quotas the Secretary shall, prior to the 15th day of
24 February, proclaim the result of the referendum and such
25 quotas shall become ineffective.

1 “AMOUNT OF FARM MARKETING QUOTA

2 “SEC. 355. *The farm marketing quota for any crop*
3 *of rice shall be the actual production of rice on the farm*
4 *less the normal production of the acreage planted to rice*
5 *on the farm in excess of the farm acreage allotment. The*
6 *normal production from such excess acreage shall be known*
7 *as the ‘farm marketing excess’: Provided, That the farm*
8 *marketing excess shall not be larger than the amount by which*
9 *the actual production of rice on the farm exceeds the normal*
10 *production of the farm acreage allotment if the producer*
11 *establishes such actual production to the satisfaction of the*
12 *Secretary.*

13 “PENALTIES AND STORAGE

14 “SEC. 356. (a) *Whenever farm marketing quotas are*
15 *in effect with respect to any crop of rice, the producer shall*
16 *be subject to a penalty on the farm marketing excess at a*
17 *rate per pound equal to 50 per centum of the parity price*
18 *per pound for rice as of June 15 of the calendar year in*
19 *which such crop is produced.*

20 “(b) *The farm marketing excess of rice shall be re-*
21 *garded as available for marketing and the amount of penalty*
22 *shall be computed upon the normal production of the acreage*
23 *on the farm planted to rice in excess of the farm acreage*
24 *allotment. If a downward adjustment in the amount of the*
25 *farm marketing excess is made pursuant to the proviso in*

1 section 355, the difference between the amount of the penalty
2 computed upon the farm marketing excess before such adjust-
3 ment and as computed upon the adjusted marketing excess
4 shall be returned to or allowed the producer.

5 “(c) The person liable for payment or collection of the
6 penalty shall be liable also for interest thereon at the rate
7 of 6 per centum per annum from the date the penalty becomes
8 due until the date of payment of such penalty.

9 “(d) Until the penalty on the farm marketing excess
10 is paid, postponed, or avoided, as provided herein, all rice
11 produced on the farm and marketed by the producer shall
12 be subject to the penalty provided by this section and a lien
13 on the entire crop of rice produced on the farm shall be in
14 effect in favor of the United States.

15 “(e) The penalty on the farm marketing excess on any
16 crop of rice may be avoided or postponed by storage or by
17 disposing of the commodity in such other manner, not incon-
18 sistent with the purposes of this Act, as the Secretary shall
19 prescribe, including, in the discretion of the Secretary, de-
20 livery to Commodity Credit Corporation or any other agency
21 within the Department. The Secretary shall issue regula-
22 tions governing such storage or other disposition. Unless

1 otherwise specified by the Secretary in such regulations, any
2 quantity of rice so stored or otherwise disposed of shall be of
3 those types and grades which are representative of the entire
4 quantity of rice produced on the farm. Upon failure so to
5 store or otherwise dispose of the farm marketing excess of
6 rice within such time as may be determined under regulations
7 prescribed by the Secretary, the penalty on such excess shall
8 become due and payable. Any rice delivered to any agency
9 of the Department pursuant to this subsection shall become
10 the property of the agency to which delivered and shall be
11 disposed of at the direction of the Secretary in a manner not
12 inconsistent with the purposes of this Act.

13 “(f) Subject to the provisions of subsection (g) of this
14 section, the penalty upon the farm marketing excess stored
15 pursuant to this section shall be paid by the producer at the
16 time and to the extent of any depletion in the amount so
17 stored except depletion resulting from some cause beyond the
18 control of the producer or from substitution of the commodity
19 authorized by the Secretary.

20 “(g) (1) If the planted acreage of the then current
21 crop of rice for any farm is less than the farm acreage
22 allotment, the amount of the commodity from any previous

1 crop of rice stored to postpone or avoid payment of the
2 penalty shall be reduced by an amount equal to the normal
3 production of the number of acres by which the farm acre-
4 age allotment exceeds the acreage planted to rice.

5 “(2) If the actual production of the acreage of rice
6 on any farm on which the acreage of rice is within the
7 farm acreage allotment is less than the normal production
8 of the farm acreage allotment, the amount of rice from any
9 previous crop stored to postpone or avoid payment of the
10 penalty shall be reduced by an amount which, together with
11 the actual production of the then current crop will equal
12 the normal production of the farm acreage allotment: Pro-
13 vided, That the production under this subsection shall not
14 exceed the amount by which the normal production of the
15 farm acreage allotment less any reduction made under sub-
16 section (g) (1) is in excess of the actual production of the
17 acreage planted to rice on the farm.”

18 (b) Subsections 201 (b), (c), (d), and (e) of the
19 Agricultural Act of 1948 shall become effective upon the
20 enactment of this Act.

21 SEC. 420. Section 344 (f) (3) of the Agricultural
22 Adjustment Act of 1938, as amended by Public Law 272,

- 1 *Eighty-first Congress, is amended (i) by striking the figure*
2 *“10” in the first sentence and inserting therefor the figure*
3 *“15”, and (ii) by striking the figure “30” in the proviso*
4 *and inserting therefor the figure “20”.*

Amend the title so as to read: “An Act to stabilize prices of agricultural commodities.”

Passed the House of Representatives July 21, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments October 12 (legislative day, September 3), 1949.

Attest:

LESLIE L. BIFFLE,

Secretary.

81ST CONGRESS
1ST SESSION

H. R. 5345

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 12 (legislative day, SEPTEMBER 3), 1949

Ordered to be printed with the amendments of the
Senate

tion. Moreover, the 1937 act earmarked revenues from a single taxing provision, whereas the present bill applies to only one among many items covered by the same taxing provision. Its enactment, therefore, would give particular impetus to the extension of the same unsound principle to other items in the same tax category, notably other types of sporting goods.

HARRY S. TRUMAN.

THE WHITE HOUSE, October 12, 1949.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. THOMPSON. Mr. Speaker, I move that the bill and message be referred to the Committee on Merchant Marine and Fisheries and ordered to be printed.

The motion was agreed to.

VETERANS' ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 368)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Post Office and Civil Service, and ordered to be printed:

To the Congress of the United States:

I have today approved H. R. 6022, to increase the rates of compensation of certain employees of the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes. This legislation has been under consideration by the Congress concurrently with other legislation to revise the Classification Act of 1923. The revision of the Classification Act would establish new salary schedules for medical and nursing positions in other Government agencies which are comparable to the positions in the Veterans' Administration covered by H. R. 6022.

It is desirable to revise the existing salary schedules for these positions both in the Veterans' Administration and in other agencies. However, it now appears that the salaries to be provided for positions of this type under the revision of the Classification Act will be substantially lower, in some instances at least, than the salaries provided for comparable positions in the Veterans' Administration under H. R. 6022. It would be most unfortunate if the final action on these related pieces of legislation should result in any such discrepancies. Consequently, I recommend that the Congress, in completing its action on the revision of the Classification Act, make the rates contained in that legislation applicable to the positions covered by H. R. 6022, except for the position of Chief Medical Director of the Office of Medicine and Surgery of the Veterans' Administration. This course of action is concurred in by the Administrator of Veterans' Affairs and by the Civil Service Commission. I recommend its favorable consideration by the Congress.

HARRY S. TRUMAN.

THE WHITE HOUSE, October 12, 1949.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATION BILL, 1950

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment, for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, insist upon House disagreement to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. MAHON, SHEPPARD, SIKES, CANNON, ENGEL of Michigan, and PLUMLEY.

AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. COOLEY, PACE, POAGE, GRANT, HOPE, AUGUST H. ANDRESEN, and MURRAY of Wisconsin.

COMMITTEE ON THE JUDICIARY

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I offer a privileged resolution (H. Con. Res. 128), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring); That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on the Judiciary of the House of Representatives be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of the hearings, held before said committee, on the resolutions entitled "Proposing an amendment to the Constitution of the United States providing for the election of President and Vice President."

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

T. J. KENNAMER

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I submit a privileged resolution (H. Res. 394), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective October 1, 1949, there shall be paid out of the contingent fund of the House until otherwise provided by

law, additional compensation at the basic salary rate of \$1,200 per annum to T. J. Kennamer, a minority employee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF LOBBYING ACTIVITIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I submit a privileged resolution (H. Res. 379), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigation and study to be conducted by the Select Committee on Lobbying Activities, created by House Resolution 298, not to exceed \$40,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today and tomorrow, following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

DORA M. BARTON

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4414) for the relief of Dora M. Barton, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "\$15,000" and insert "\$11,861.66."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DORA FRUMAN

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1637) for the relief of Mrs. Dora Fruman, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "\$15,000" and insert "\$25,000."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order to call up the conference report on the second supplemental appropriation bill at any time between now and adjournment.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. CHURCH. Mr. Speaker, reserving the right to object, I want to know whether the gentleman from New York [Mr. TABER] has been consulted.

Mr. CANNON. Mr. Speaker, the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH], the two ranking minority members of the committee, have been consulted and the request meets with their approval.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CORRECTION OF ROLL CALL

Mr. O'TOOLE. Mr. Speaker, on roll call No. 227 on October 11, I am not recorded as having voted. During the calling of the roll I occupied the chair as Speaker pro tempore and, when my name was called, I voted "no." Therefore, Mr. Speaker, I ask unanimous consent that the permanent RECORD and JOURNAL be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to revise and extend his remarks at this point in the RECORD.

HENDERSON AGAINST INTERSTATE COMMERCE COMMISSION

Mr. BRYSON. Mr. Speaker, Members of the House, particularly those of the legal profession, will be especially interested in a case now pending before the United States Supreme Court entitled "Henderson Against Interstate Commerce Commission and Others," docketed as No. 25.

From a cursory reading of the pleadings, it readily appears that an intentional attempt is being made to bypass the Congress of the United States and have a judge-made law. It seems that there are those who have no hesitancy in deliberately violating the specific constitutional provisions establishing the three distinct branches of our Government.

No possible barrier to segregation in interstate travel can be found in our Constitution. Repeatedly the courts have held that separate but equal facilities in travel are all that may be required. The purpose of the pending case is to seek a judicial determination to the effect that only the same facilities will fully meet the issue. Surely the Court will never adopt the extreme views now sought to be established as the law of the land. Let it be remembered that the Congress itself, the only lawmak-

ing agency in the Government, has consistently refused to adopt the radical, unreasonable view taken in the incident case.

Should this new doctrine on segregation be allowed, it might well follow that all efforts to preserve any separation of the races, including marriage, shall be thwarted. Surely those who continue to harangue, harass, and divide us know not what they do.

ANNOUNCEMENT

Mr. MCGREGOR. Mr. Speaker, the gentleman from Ohio [Mr. SMITH], who has been absent because of illness, requested me to inform the Speaker that had he been present October 5, 1949, when the House passed H. R. 6000, entitled "Social Security Amendments of 1949," he would have voted against passage.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD and include a statement made by him at the public hearing before the Committee on Foreign Affairs today.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD in two instances; in one to include a speech by Mayor O'Dwyer, of New York.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD in two instances; in one to include editorials on the death of Mr. Parker, and in the other instance to include a speech made by Under Secretary of the Treasury at Syracuse, N. Y., before the New York Tax Association.

Mr. THOMAS of Texas asked and was given permission to extend his remarks in the RECORD and include a letter by William States Jacobs.

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the CONGRESSIONAL RECORD concerning H. H. 5965 which provides for adding 16,000 beds to the Veterans' Administration program for construction of veterans' hospitals and expressing the hope that the bill will pass when it reaches the floor of the House of Representatives.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FLOOD (at the request of Mr. CARNAHAN) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include a statement, together with a letter.

Mr. ASPINALL asked and was given permission to extend his remarks in the RECORD relative to H. R. 64.

Mr. WAGNER asked and was given permission to extend his remarks in the Appendix.

Mr. KIRWAN (at the request of Mr. EBERHARTER) was given permission to extend his remarks in the RECORD and include an article by Columnist Mc-Lamore.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the permanent RECORD as of October 11, in tribute to General Pulaski.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FURCOLO asked and was given permission to extend his remarks in the RECORD.

Mr. TAURIELLO (at the request of Mr. GORSKI of New York) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD in three instances and to include extraneous matter, notwithstanding that in one instance the cost will be \$328.

Mr. BLAND (at the request of Mr. THOMPSON) asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD in two instances and include certain extraneous matter.

Mr. CARROLL asked and was given permission to extend his remarks in the RECORD and include a report from western Democrats assembled at San Francisco.

Mr. McMILLAN of South Carolina asked and was given permission to extend his remarks in the RECORD and include a statement by the gentleman from Alabama [Mr. HOBBS] before the District of Columbia Committee.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include a news release.

Mr. POWELL asked and was given permission to extend his remarks in the RECORD in four instances; in one to include an article from the Pittsburgh Courier, in the second instance a resolution from the National Baptist Convention, in a third instance a resolution from the National Alliance of Postal Employees, and in the fourth instance a resolution from the National Alliance of Postal Employees of New York City.

Mr. HELLER (at the request of Mr. DOLLINGER) was given permission to extend his remarks in the RECORD.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON WAYS AND MEANS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill H. R. 5486.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. HEDRICK asked and was given permission to extend his remarks in the

81st CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 4459

AGRICULTURAL ACT OF 1949

-----Ordered to be printed

Mr. -----, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5345]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Agricultural Act of 1949".*

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. *The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:*

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:

The level of support shall be not less than the following percentage of the parity price:

Not more than 102	90
More than 102 but not more than 104	89
More than 104 but not more than 106	88
More than 106 but not more than 108	87
More than 108 but not more than 110	86
More than 110 but not more than 112	85
More than 112 but not more than 114	84
More than 114 but not more than 116	83
More than 116 but not more than 118	82
More than 118 but not more than 120	81
More than 120 but not more than 122	80
More than 122 but not more than 124	79
More than 124 but not more than 126	78
More than 126 but not more than 128	77
More than 128 but not more than 130	76
More than 130	75

The level of support shall be not less than the following percentage of the parity price:

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:

Not more than 108	90
More than 108 but not more than 110	89
More than 110 but not more than 112	88
More than 112 but not more than 114	87
More than 114 but not more than 116	86
More than 116 but not more than 118	85
More than 118 but not more than 120	84
More than 120 but not more than 122	83
More than 122 but not more than 124	82
More than 124 but not more than 125	81
More than 125 but not more than 126	80
More than 126 but not more than 127	79
More than 127 but not more than 128	78
More than 128 but not more than 129	77
More than 129 but not more than 130	76
More than 130	75

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 per centum of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

(e) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506) shall continue in effect.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool (including mohair), tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat as follows:

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

The level of support shall be not less than the following percentage of the parity price:

If the supply percentage as of the beginning of the marketing year is:

Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

SEC. 303. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

SEC. 402. Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give considera-

tion to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

SEC. 408. For the purposes of this Act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

(d) A "nonbasic agricultural commodity" shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The "supply percentage" as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f) "Total supply" of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g) "Carry-over" of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such

marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

(h) "Normal supply" of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(i) "Marketing year" for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this Act.

SEC. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining "adjusted base price"), is amended by adding at the end thereof the following: "As used in this subparagraph, the term 'prices' shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942."

(b) Section 301 (a) (1) (C) of such Act, as so amended (defining "parity index"), is amended (1) by inserting after the word "buy" a comma and the following: "wages paid hired farm labor", and (2) by inserting after "such prices" a comma and the word "wages".

(c) Section 301 (a) (1) of such Act, as so amended, is amended by adding at the end thereof the following new subparagraph:

"(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the four-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949."

(d) Section 301 (b) (10) (A) of such Act, as so amended (defining "normal supply"), is amended by striking out "7 per centum in the case of corn" and inserting in lieu thereof "10 per centum in the case of corn".

(e) Section 322 (a) of such Act, as so amended (relating to corn marketing quotas), is amended by adding at the end thereof the following: "With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as 'such calendar year' for the purposes of (1) and (2) of the preceding sentence."

(f) Section 328 of such Act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply".

SEC. 410. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the

following: "Provided, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841)."

SEC. 411. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

SEC. 412. Determinations made by the Secretary under this Act shall be final and conclusive: Provided, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

SEC. 413. This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.

SEC. 414. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this Act are hereby repealed.

SEC. 415. (a) Except as modified by this Act or by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 207 (a), and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act. If the time within which any such is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

(c) Section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, by section 201 (d) of the Agricultural Act of 1948, is amended (1) by striking out of subparagraph (A) the following: "cotton," (2) by striking out of subparagraph (A) the following: "30 per centum in the case of cotton;" and (3) by adding at the end thereof the following subparagraph:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(d) Section 301 (b) (16) of the Agricultural Adjustment Act of 1938, as amended by section 201 (e) of the Agricultural Act of 1948 is amended (1) by striking out of subparagraph (A) the following: "cotton," and (2) by adding the following subparagraph:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(e) Sections 201 (c), 205, 206, and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

SEC. 416. In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

SEC. 417. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

“Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by the Bank for Cooperatives to whom application is made for the loan: Provided, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures.”

(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

“Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures located in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures,

as approved by such bank: *Provided, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures.*"

SEC. 418. (a) Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 353. (a) *The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period.*

"(b) *The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: Provided, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the Act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 per centum of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made but who have not produced rice in any one of the past five years, on the basis of the applicable apportionment factors set forth herein: Provided, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past five years, on the basis of the applicable apportionment factors set forth herein.*

"(c) *Notwithstanding any other provisions of this Act—*

"(1) *if farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the*

producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: Provided, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

“(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

“MARKETING QUOTAS

“SEC. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

“(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

“AMOUNT OF FARM MARKETING QUOTA

“SEC. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the ‘farm marketing excess’: Provided, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

“PENALTIES AND STORAGE

“SEC. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

“(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section

355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

“(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

“(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

“(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this act.

“(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

“(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

“(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: Provided, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm.”

(b) Section 301 (b) (1) (B) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the word "cotton" a comma and the word "rice".

(c) Section 301 (b) (9) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "cotton" the word "rice".

SEC. 419. Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure "10" in the first sentence and inserting therefor the figure "15", and (ii) by striking the figure "30" in the proviso and inserting therefor the figure "20".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.





AGRICULTURAL ACT OF 1949

OCTOBER 19, 1949.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5345]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Agricultural Act of 1949"*.

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. *The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:*

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:

The level of support shall be not less than the following percentage of the parity price:

Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

The level of support shall be not less than the following percentage of the parity price:

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:

Not more than 108-----	90
More than 108 but not more than 110-----	89
More than 110 but not more than 112-----	88
More than 112 but not more than 114-----	87
More than 114 but not more than 116-----	86
More than 116 but not more than 118-----	85
More than 118 but not more than 120-----	84
More than 120 but not more than 122-----	83
More than 122 but not more than 124-----	82
More than 124 but not more than 125-----	81
More than 125 but not more than 126-----	80
More than 126 but not more than 127-----	79
More than 127 but not more than 128-----	78
More than 128 but not more than 129-----	77
More than 129 but not more than 130-----	76
More than 130-----	75

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 per centum of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

(e) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506), shall continue in effect.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool (including mohair), tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat as follows:

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

<i>If the supply percentage as of the beginning of the marketing year is:</i>	<i>The level of support shall be not less than the following percentage of the parity price:</i>
Not more than 102	90
More than 102 but not more than 104	89
More than 104 but not more than 106	88
More than 106 but not more than 108	87
More than 108 but not more than 110	86
More than 110 but not more than 112	85
More than 112 but not more than 114	84
More than 114 but not more than 116	83
More than 116 but not more than 118	82
More than 118 but not more than 120	81
More than 120 but not more than 122	80
More than 122 but not more than 124	79
More than 124 but not more than 126	78
More than 126 but not more than 128	77
More than 128 but not more than 130	76
More than 130	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

SEC. 303. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

SEC. 402. Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give considera-

tion to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

SEC. 408. For the purposes of this Act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

(d) A "nonbasic agricultural commodity" shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The "supply percentage" as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f) "Total supply" of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g) "Carry-over" of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such

marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

(h) "Normal supply" of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(i) "Marketing year" for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this Act.

SEC. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining "adjusted base price"), is amended by adding at the end thereof the following: "As used in this subparagraph, the term 'prices' shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942."

(b) Section 301 (a) (1) (C) of such Act, as so amended (defining "parity index"), is amended (1) by inserting after the word "buy" a comma and the following: "wages paid hired farm labor", and (2) by inserting after "such prices" a comma and the word "wages".

(c) Section 301 (a) (1) of such Act, as so amended, is amended by adding at the end thereof the following new subparagraph:

"(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the four-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949."

(d) Section 301 (b) (10) (A) of such Act, as so amended (defining "normal supply"), is amended by striking out "7 per centum in the case of corn" and inserting in lieu thereof "10 per centum in the case of corn".

(e) Section 322 (a) of such Act, as so amended (relating to corn marketing quotas), is amended by adding at the end thereof the following: "With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as 'such calendar year' for the purposes of (1) and (2) of the preceding sentence."

(f) Section 328 of such Act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply".

SEC. 410. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the

following: "Provided, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841)."

SEC. 411. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

SEC. 412. Determinations made by the Secretary under this Act shall be final and conclusive: Provided, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

SEC. 413. This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.

SEC. 414. Section 302 of the Agricultural Adjustment Act of 1938, as amended and any provision of law in conflict with the provisions of this Act are hereby repealed.

SEC. 415. (a) Except as modified by this Act or by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 207 (a), and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

(c) Section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, by section 201 (d) of the Agricultural Act of 1948, is amended (1) by striking out of subparagraph (A) the following: "cotton," (2) by striking out of subparagraph (A) the following: "30 per centum in the case of cotton;" and (3) by adding at the end thereof the following subparagraph:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(d) Section 301 (b) (16) of the Agricultural Adjustment Act of 1938, as amended by section 201 (e) of the Agricultural Act of 1948 is amended (1) by striking out of subparagraph (A) the following: "cotton," and (2) by adding the following subparagraph:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(e) Sections 201 (c), 205, 206, and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

SEC. 416. In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

SEC. 417. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by the Bank for Cooperatives to whom application is made for the loan: Provided, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures."

(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures located in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures,

as approved by such bank: *Provided, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures.*"

SEC. 418. (a) Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 353. (a) *The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period.*

"(b) *The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: Provided, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the Act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 per centum of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made but who have not produced rice in any one of the past five years, on the basis of the applicable apportionment factors set forth herein: Provided, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past five years, on the basis of the applicable apportionment factors set forth herein.*

"(c) *Notwithstanding any other provisions of this Act—*

"(1) *if farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the*

producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: Provided, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

"(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"MARKETING QUOTAS

"SEC. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

"(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

"AMOUNT OF FARM MARKETING QUOTA

"SEC. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the 'farm marketing excess': Provided, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES AND STORAGE

"SEC. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section

355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

"(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this act.

"(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

"(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

"(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: Provided, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm."

(b) Section 301 (b) (1) (B) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the word "cotton" a comma and the word "rice".

(c) Section 301 (b) (9) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "cotton" the word "rice".

SEC. 419. Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure "10" in the first sentence and inserting therefor the figure "15", and (ii) by striking the figure "30" in the proviso and inserting therefor the figure "20".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
REID F. MURRAY,

Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
SCOTT W. LUCAS,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, submit the following statement in explanation of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the bill struck out all after the enacting clause and inserted in lieu of the text of the House bill the amended text of a bill as passed by the Senate. The conferees have agreed upon amendments to the Senate amendment to bring it more closely into conformity with the objectives of the bill as passed by the House.

Except for clarifying, minor, or technical changes the differences between the House bill and the bill as agreed upon by the committee of conference and recommended in the accompanying report are explained below:

GENERAL STATEMENT

The bill as recommended by the conferees repeals the price-support sections of title II of the Agricultural Act of 1948 and establishes a permanent support program for agricultural commodities embodying the following major factors:

(1) Establishment of a modernized parity formula that includes wages paid hired labor in the computation of parity prices;

(2) A provision that for four crop years beginning with the 1950 crop year, in order to cushion the transition from uncontrolled to controlled production or marketing of basic commodities and the shift to the new parity formula, that the parity price for the basic commodities shall not be lower than the parity price for such commodities as computed under the parity formula now in effect;

(3) A classification of agricultural commodities under three main groups for purposes of price support—(a) basic commodities, (b) designated nonbasic commodities, and (c) all other nonbasic commodities;

(4) In order to cushion further the transition from wartime production, the bill also provides that, regardless of the supply position, the support level for the six basic commodities shall not be less than 90 percent of parity for the 1950 crop and not less than 80 percent of parity for the 1951 crop, provided producers have not disapproved marketing quotas and acreage allotments or marketing quotas are in effect on such crops.

TITLE I—BASIC AGRICULTURAL COMMODITIES

✓ Mandatory price supports are provided to cooperators for the basic commodities—corn, wheat, cotton, rice, peanuts, and tobacco. For the four crop years 1950, 1951, 1952, and 1953, in order to cushion the

transition period during which producers are required to reduce production, support levels for the basic crops are to be computed both under the existing parity formula and under that established in the bill, and producers given the advantage of the higher of the two parity prices, hereinafter referred to as "alternative parity." It is estimated that for the first few years the existing formula will provide a higher parity for certain of the basics, while the new formula will provide a higher parity for livestock and certain other commodities.

The support level for the basic commodities will be 90 percent of parity for the crop year 1950 and not less than 80 percent for the crop year 1951, if producers have not disapproved marketing quotas and if acreage allotments or marketing quotas are in effect. Tobacco is to be supported permanently at 90 percent of parity whenever marketing quotas are in effect. The alternative parity will be available each of these years and it is estimated that for the years 1950 and 1951, the level of support to producers of cotton and probably other basic commodities will be higher than it would be at 90 percent of modernized parity. After the crop year 1951, the support level for all of the basics, except tobacco, will be not more than 90 percent of parity and not less than the minimum level specified in the tables in this title, and the alternative parity will continue through the crop year 1953.

It is the understanding of the conferees that in computing the parity price under the existing formula, the weights and factors used to make up the parity index at the time of the conference (October 18, 1949) will continue to be used.

This title of the bill contains schedules which establish minimum levels of price support in relation to supplies. In carrying out the mandatory price-support program for the basic commodities, however, the Secretary is not bound to fix the price support at the minimum level prescribed by the schedules, nor shall he be bound in any respect by the factors set forth in section 401 (b), but is given full discretionary authority to establish the support level at any point up to 90 percent of parity.

If producers disapprove marketing quotas, the support level will be 50 percent of parity except in the case of tobacco, for which there will be no price support if marketing quotas are disapproved.

The level of price support for corn to cooperators outside the commercial corn-producing area will be 75 percent of the level of price support to cooperators in the commercial corn-producing areas.

Under the House bill the basic commodities were to be supported for 1 year at 90 percent of the parity price whenever producers had not disapproved marketing quotas.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

Beginning in 1950 permanent mandatory price support is made available for certain nonbasic agricultural commodities, at levels to be determined by the Secretary of Agriculture within the minimums and maximums provided in the bill. Wool, including mohair, is to be supported at such levels between 60 to 90 percent of the parity price as the Secretary of Agriculture determines necessary, in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool. Tung nuts, honey, and Irish potatoes are to be supported within a range of 60 to 90 percent of parity. Whole

milk, butterfat, and the products thereof, are to be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. The Secretary is required to provide price support for milk, butterfat, and the products thereof, through loans on, or purchases of, the products of milk and butterfat.

In providing price support for milk, butterfat, and the products of such commodities, it is intended that programs will be carried out through loans on, or purchases of, butter, cheese, evaporated milk, and dry milk powders so as to assure to the producers of milk and butterfat the benefit of the price support authorized by the bill.

The requirement that the price of wool, including mohair, be supported at not less than 60 or more than 90 percent of parity contemplates that separate parity price will be computed for sheep's wool and mohair, respectively. The level of support for mohair may vary from that for sheep's wool within the range indicated. The level of support for sheep's wool must, however, be such as to encourage an annual production of 360,000,000 pounds of shorn wool independent of pulled wool or mohair. In establishing the level of support for mohair within the 60 to 90 percent of parity range the Secretary would, of course, be expected to take into account the level of support established for sheep's wool and to establish a level of support for mohair in proper relationship to the level of support for sheep's wool. The term "wool" includes both shorn and pulled wool.

Under the House bill mandatory price support was provided for hogs, chickens, milk, butterfat, and eggs, until January 1, 1951, at 90 percent of the parity or comparable price. Irish potatoes, dry peas (certain varieties), dry beans (certain varieties), soybeans for oil, peanuts for oil, American-Egyptian cotton, sweetpotatoes, and turkeys were given mandatory price support at not less than 60 percent of the parity or comparable price and not more than the level of the parity or comparable price at which such commodities were supported in 1948, which in most instances was 90 percent of the parity or comparable price. Wool was given mandatory price support until June 30, 1951, at the 1946 support price level.

Mohair was given mandatory price support at not in excess of 90 percent of the parity price, taking into account the parity price at which wool was being supported.

Cottonseed was given mandatory price support at levels not in excess of the parity price, taking into account the price levels at which other commodities are being supported.

Price support was authorized until January 1, 1951, for all other agricultural commodities at the discretion of the Secretary. Price-support programs with respect to any such commodities were required to be carried out so as to bring the price and the income of the producers of such commodities to a fair parity relationship with the other commodities receiving mandatory price support. Price support for these commodities were also dependent upon the availability of funds for such operations.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

Under this title of the bill the Secretary of Agriculture is authorized to support any agricultural commodity other than those designated

title I and title II at levels not in excess of 90 percent of the parity price.

Within the availability of funds for mandatory price-support programs, and after consideration of certain factors enumerated below, price support is required, insofar as feasible, to be made available to producers of any storable nonbasic agricultural commodity for which a marketing quota or marketing agreement or order program is in effect.

The factors to be taken into consideration by the Secretary in determining whether price support operations shall be undertaken, and the level of such support, are as follows:

(1) The supply of the commodity in relationship to the demand therefor;

(2) The price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relationship to corn;

(3) The availability of funds;

(4) The perishability of the commodity;

(5) The importance of the commodity to agriculture and the national economy;

(6) The ability to dispose of stocks acquired in price support operations;

(7) The need for offsetting temporary losses of export markets;

(8) The ability and willingness of producers to keep supplies in line with demand.

In the case of any commodity for which price support is not mandatory, the determination as to whether a price-support operation shall be undertaken and the level of such support is to be made after consideration of the factors enumerated above.

These factors are substantially the same as contained in title II of the Agricultural Act of 1948, the main exception being the addition of the reference to feed values of feed grains in relation to corn.

CHANGES IN THE PARITY FORMULA

The bill recommended by the conferees continues the provision of title II of the Agricultural Act of 1948 for a modernized parity formula to become effective in 1950, with the additional provision that wages paid hired farm labor are to be used in computing the parity index and that wartime subsidy payments to producers to maintain ceiling prices under the Emergency Price Control Act of 1942 shall be taken into consideration in determining parity prices.

The parity formula thus established sets up a parity price structure favorable to a livestock agricultural economy. The parity prices for most livestock and animal products are relatively higher under the new parity and those for the grains and certain other basic commodities are relatively lower. In order to bridge the transition from the existing parity formula to that established in the bill, the provision has been included which requires that for the first four crop years after the effective date of the act (1950 through 1953) support prices for basic commodities shall be based upon the higher of the two parity formulas—that established in the bill and that now in operation—thus setting up the existing parity for the basic commodities as an effective minimum parity for the next 4 years.

METHODS AND PREREQUISITES OF PRICE SUPPORT

The Secretary is authorized to require such compliance by producers with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law) as he determines necessary, in order to be eligible for the price support. This provision is substantially the same as the provision contained in the Agricultural Act of 1948 and, among other things, will authorize the Secretary of Agriculture to condition price support for potatoes and other nonbasic agricultural commodities upon producers agreeing to use marketing agreements and orders issued pursuant to the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, with respect to such commodities in such production or marketing areas as the Secretary may designate.

FORWARD PRICING

The bill provides for forward pricing and directs the Secretary of Agriculture, insofar as practicable, to announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing season. The level of price support so announced may not exceed 90 percent of the estimated parity price, but in no event shall the level of price support so announced be reduced if the level provided in the schedules in the bill is less than the level so announced.

The words "insofar as practicable" were included in this section so as not to preclude the Secretary from providing price support in instances where no announcement was made prior to the planting or marketing season. For example, situations might arise under which conditions might not have warranted the announcement of a price-support program with respect to a nonbasic agricultural commodity until after the planting season or the beginning of the marketing season had passed. This provision would permit the Secretary to provide price support for such a commodity even though he had made no announcement prior to the planting or marketing season.

DISPOSAL OF AGRICULTURAL COMMODITIES

In determining general sales policies for basic agricultural commodities or storable nonbasic commodities, the Commodity Credit Corporation and the Secretary of Agriculture are required to establish such prices, terms, and conditions as will not discourage or deter manufacturers, processors, or dealers from acquiring and carrying normal inventories of the current crop of the commodity. The Corporation is not permitted to sell any basic agricultural commodity or storable nonbasic commodity at less than 5 percent above the current support price for such commodity, plus reasonable carrying charges. In determining reasonable carrying charges the Secretary or the Corporation is not required to compute the actual cost incurred in carrying the commodity, but it is intended that there should be established a reasonable amount for carrying charges sufficiently realistic to discourage manufacturers, processors, and dealers from relying on Commodity Credit Corporation stocks as a source of supply rather than carrying normal inventories of their own.

In order to prevent waste of food commodities acquired through price-support operations found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon such terms and conditions as may be deemed in the public interest, to make such commodities available to the Munitions Board or any other Federal agency for use in making payment for commodities not produced in the United States. Any such commodities not disposed of in the manner referred to above may be made available at point of storage, at no cost except handling and transportation costs incurred in making delivery, in the following order of priority: (1) the school-lunch program and to the Bureau of Indian Affairs and Federal, State, and local public-welfare organizations for the assistance of needy Indians and other needy persons; (2) to private welfare organizations for the assistance of needy persons within the United States; and (3) to private welfare organizations for the assistance of needy persons outside the United States.

RICE

The bill completely revises the method of establishing and apportioning acreage allotments and marketing quotas for rice, and authorizes allotments to farms upon farm history, upon the recommendation of the State committee and approval of the Secretary, instead of to producers upon personal history, as was previously the case.

AMENDMENTS TO THE FARM CREDIT ACT

The Farm Credit Act is amended to authorize banks for cooperatives and the Central Bank for Cooperatives to make loans to cooperative associations for the purpose of financing up to 80 percent of the cost of the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate). Such loans are not authorized unless the cooperative association making application for the loan shall have furnished the bank an appropriate commitment from the Commodity Credit Corporation that the Corporation will lease or guarantee the utilization of not less than 75 percent of the storage space contained in such structures, when completed, for a period of at least 3 years in the case of completely new structures or 2 years if such structures are an addition to existing structures.

MISCELLANEOUS PROVISIONS

Price support in excess of 90 percent of the parity price may be made available for any agricultural commodity if the Secretary of Agriculture determines, after reasonable notice and public hearing, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any such agricultural commodity essential to the national welfare, or in order to increase or maintain production of any such commodity in the interest of national security.

Appropriate adjustments are authorized to be made in the support price for differences in grade, type, staple, quantity, location, and other

factors. Middling $\frac{7}{8}$ -inch cotton is made the standard grade for purposes of parity and price support, continuing the policy which has heretofore prevailed with respect to cotton and is in accord with a similar provision contained in Public Law 272, Eighty-first Congress.

Sums made available under section 32 of the act approved August 24, 1935, which represent 30 percent of the gross receipts from duties collected under the custom laws, are directed to be devoted principally to the support of perishable nonbasic agricultural commodities other than those designated under title II of the Agricultural Act of 1949.

The bill amends section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, which relates to cotton, so as to authorize county committees to reserve not in excess of 15 percent of the county allotment for the uses authorized therein.

HAROLD D. COOLEY,
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Managers on the Part of the House.



provided for in this bill. So there is an emergency.

Mr. KEEFE. The gentleman seems to indicate by his remarks that there is no present authorization by law that will permit the Congress to make emergency appropriations for direct relief. The gentleman must know that that statement gives a wrong impression because the Committee on Appropriations last year on two separate occasions very definitely provided funds for this specific purpose and it has the authority to do that. This does not provide for anything of an emergency character. It does do one thing, namely, it repeals the present social-security law that has been under discussion between the States of Arizona and New Mexico and the Social Security Administration, and it pretends—it does not pretend, but actually does, as a matter of substantive of law repeal the provisions of the social-security law insofar as they affect Arizona and New Mexico.

My State is confronted with exactly the same situation as far as the Indians are concerned. Should I not propose a special law to repeal the Social Security Act insofar as that act operates with respect to Indians in the State of Wisconsin? Should not the gentleman from South Dakota do the same thing for the State of South Dakota and the gentleman from Montana the same thing for the State of Montana, and so on all along the line?

If we are going to deal with this problem we must deal with it on a national basis. We have been doing this piecemeal biting at this problem for years and that is why we have not gotten anywhere. I hope the gentleman's committee will give us an opportunity to study this problem and bring in a long-range program that will do something for the Hopis and the Navajos. Under this bill you do not give them anything unless the Congress appropriates money. But you do give relief to the States of Arizona and New Mexico and relieve them of their plain responsibility under existing law. I do not think we should repeal legislation which is the basic law of the land in such a haphazard, piecemeal manner as this.

Mr. MORRIS. May I say to the gentleman, if he had the same situation in his good State, I would be up here making the same fight for him that I am making now. The gentleman knows my high personal esteem and regard for him. If he had the same situation, I would be crying my heart out in his favor. That is what I would do.

Yes; it is true that the Committee on Appropriations may appropriate money without this authorization bill. That is right. I left no inference otherwise, or at least I did not intend to do so. I know what the law is in that respect. They have the right to do it, but from a practical standpoint it will not be done without this authorization bill, I am afraid. I am just afraid that we will be leaving these Indians out in the cold actually as well as figuratively.

Mr. Speaker, I would like for a statement to be made by the gentleman from New Mexico [Mr. FERNANDEZ], and probably another short statement by the gen-

tleman from Arizona [Mr. MURDOCK], whose States are so vitally affected. I do not want to take up any more time because I know that these are the last hours of this session of the Congress, but I am pleading with you and begging you to stay with us on this legislation. Please do not object to this. Let us go ahead with this legislation. Whatever you want to go into later, I will give you my word of honor that I will do everything within my power, whatever it might be, to see that you are heard. I will contact others and see if I cannot get others interested in the proposition to help you solve your problem.

But let us not forget these Indians. You know it is kind of trite nowadays to make the statement that one has been against all this foreign spending. But it is true that I have voted against most all of it.

Whether I was right or wrong, that is what I did. I do not like to repeat this matter, but we have given so much, in fact, all over the world, and I implore you that we not forget our own people. I implore you not to turn this bill down. Do not object to it, please.

I now yield to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Speaker, this provision in the bill merely puts into effect the very thing that the Social Security Agency in the States of Arizona and New Mexico agreed to some months ago, extra legally, I might say, because I doubt that they had the authority to do it. I appreciate that this appears to favor Arizona and New Mexico in a way that other States are not. But it is only because of the peculiar problem applicable to the Navajo Reservation.

New Mexico has other Indians than the Navajos, many thousands of them. As to them we are not asking for this consideration. When the gentleman from Wisconsin [Mr. KEEFE] was chairman of the Subcommittee on Appropriations dealing with this subject in the House, he brought this problem before the House, and in their report they pointed out the tremendous difficulty facing New Mexico and Arizona as to the Navajo Indians. The present method is entirely unsatisfactory. We appropriate money to the Indian Office, and the Indian Office does it out for relief in a more or less haphazard manner. This bill will make it possible for the States to actually put them under the social-security program, which is what Mr. KEEFE has been pleading for, and so have I. We want the Indians under social security, and this will be a start.

It is only expected that this law will remain on the books until the Ways and Means Committee can iron out the problem and make such changes as it deems proper. I sincerely hope that you do not object to this. I will give you my word of honor that we will do everything we can to bring the matter before the Ways and Means Committee for the over-all consideration of the problem.

Mr. MORRIS. If I may ask your indulgence for just a few more moments, I will conclude.

You gentlemen certainly have a right to object. That is your prerogative. I

hope you will not. I almost implore you not to object. I just think you will do wrong to do so. But you have a right to object of course and certainly I am going to respect your views, whatever they may be. I would now like to yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. I wanted to ask a question. We have just heard the gentleman from New Mexico [Mr. FERNANDEZ] speak in favor of this bill. This bill is the same as the bill we passed, with the objection that was found in the veto removed. Is that not true?

Mr. MORRIS. That is true.

Mr. MURDOCK. The objection found in the veto was what was known as the Fernandez amendment?

Mr. MORRIS. That is correct.

Mr. MURDOCK. Therefore, the gentleman from New Mexico is asking that the bill be replaced, although we struck out his original amendment?

Mr. MORRIS. The gentleman from New Mexico was deeply concerned over that amendment. He is still for it. I am for it. But we could not help it. It was stricken out by the veto. He is for the bill, notwithstanding that fact, and so am I. I am still for the principle that was in section 9, but if we cannot have that now, let us not hold it against the Indians.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield for a question.

Mr. RICH. When is an Indian an Indian? Is everybody who walks across an Indian reservation in your State an Indian?

Mr. MORRIS. No, sir. If you will come down to Oklahoma and walk across our Indian lands out there, we will not say you are an Indian. But there are good people.

Mr. RICH. Do you call everybody in Oklahoma an Indian?

Mr. MORRIS. Well, you might say "a good Indian." They are most all good scouts.

Mr. RICH. We have a very good country, trying to take care of these Indians. You have increased your appropriation tenfold in 10 years. It is about time that you got somebody to look after them who will get them self-supporting. You cannot do it the way you have been doing for the last 15 years.

Mr. MORRIS. Of course, I have not been here that long.

Mr. TACKETT. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. TACKETT. Does the gentleman have in mind the figure that we paid the Indians for the country we took away from them up around Pennsylvania?

Mr. MORRIS. We have mistreated the Indians in many respects. We should make amends as best we can. I do not think we have done nearly as much for them as we could. I think the finest thing we can do is to help them help themselves by making it possible for them to rehabilitate themselves, by giving them schooling, by giving them good roads and an opportunity to be self-sup-

porting. That is what this bill is mostly all about.

Mr. BIEMILLER. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. BIEMILLER. Do I understand correctly that the gentleman from the State of Oklahoma, the gentleman from New Mexico, and the gentleman from Arizona, and others who are vitally interested in the Indian problem are willing in the next session to have an over-all job done in these other States which also have Indian problems, States other than Arizona and New Mexico, in making the adjustments made on the basis this bill makes them?

Mr. MORRIS. I appreciate the gentleman's statement. I may say to him that we are not only willing, but are anxious to do our best to help other States solve their problems. We appreciate the gentleman's support. We will give the gentleman every consideration within our jurisdiction if he will come down to our committee.

Mr. RICH. The gentleman from Oklahoma just suggested letting the Indians take over the State of Pennsylvania. After the New Deal gets through with us I do not think they would want to have anything to do with it or that there would be anything left in the State for the Indians or anybody else.

Mr. MORRIS. That, of course, is the gentleman's philosophy, and he is entitled to his view. By the way, the gentleman [Mr. TACKETT] is from the great State of Arkansas and not Oklahoma, but we would be glad to have him move into Oklahoma as he is certainly all right.

Mr. Speaker, I do not know of anything else that can be said. We are through, as far as I know. I hope the bill will be supported and that no one will object.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. KEAN. Mr. Speaker, I object.

PERMISSION TO COMMITTEE ON HOUSE ADMINISTRATION TO SIT DURING SESSION OF HOUSE TODAY

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may meet while the House is in session this afternoon.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. HARRIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. COX asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech by Mr. Earl Bunting, managing director of the National Association of Manufacturers, at Chattanooga, Tenn., on October 18.

CORRECTION OF RECORD

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the permanent RECORD of October 18, temporary RECORD page 15126, may be corrected as follows:

I am quoted as saying the following:

Let me say that the most important thing that has been done with respect to stock piling was the elimination of that language which would have preserved the long-range contract.

I ask that the clause "preserved the long-range contract" be changed to read "prevented the long-range contract," making the sense of the sentence this: That we had stricken the language in the Senate report which would have prevented the long-range contract in the stock-piling program.

Mr. Speaker, it is most important that the long-range contract method be permitted in order that the stock-piling program may be carried on in a successful manner. My remarks elsewhere in the RECORD and the remarks of others make clear the intention of the House with respect to the language above referred to.

The SPEAKER. Without objection, the permanent RECORD will be corrected as indicated.

There was no objection.

RECESS

The SPEAKER. The House will stand in recess until 1:30 p. m.

Thereupon (at 12 o'clock and 54 minutes p. m.) the House stood in recess until 1 o'clock and 30 minutes p. m.

AFTER RECESS

The recess having expired at 1 o'clock and 30 minutes p. m., the House was called to order by the Speaker.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6109. An act granting the consent of Congress to a compact or agreement between the State of Tennessee and the State of Missouri concerning a Tennessee-Missouri Bridge Commission, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1580. An act concerning common-trust funds and to make uniform the law with reference thereto; and

S. 2404. An act authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians.

The message also announced that the Senate recedes from its amendments to the bill (H. R. 162) entitled "An act to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3699) entitled "An act to amend the Fed-

eral Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral and canceling the mortgages and satisfying and discharging the lien of record; and for other purposes."

AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Agricultural Act of 1949'."

"TITLE I—BASIC AGRICULTURAL COMMODITIES

"SEC. 101. The Secretary of Agriculture (hereinafter called the 'Secretary') is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

	The level of support shall be not less than the following percentage of the parity price:
"(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	
"Not more than 102.....	90
More than 102, but not more than 104..	89
More than 104 but not more than 106..	88
More than 106 but not more than 108..	87
More than 108 but not more than 110..	86
More than 110 but not more than 112..	85
More than 112 but not more than 114..	84
More than 114 but not more than 116..	83
More than 116 but not more than 118..	82
More than 118 but not more than 120..	81
More than 120 but not more than 122..	80
More than 122 but not more than 124..	79
More than 124 but not more than 126..	78
More than 126 but not more than 128..	77
More than 128 but not more than 130..	76
More than 130.....	75

"(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
"Not more than 108.....	90
More than 108 but not more than 110..	89
More than 110 but not more than 112..	88
More than 112 but not more than 114..	87
More than 114 but not more than 116..	86
More than 116 but not more than 118..	85
More than 118 but not more than 120..	84
More than 120 but not more than 122..	83
More than 122 but not more than 124..	82
More than 124 but not more than 125..	81
More than 125 but not more than 126..	80
More than 126 but not more than 127..	79
More than 127 but not more than 128..	78
More than 128 but not more than 129..	77
More than 129 but not more than 130..	76
More than 130.....	75

"(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 per centum of the parity price.

"(d) Notwithstanding the foregoing provisions of this section—

"(1) If producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

"(2) If producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

"(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

"(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

"(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

"(e) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506), shall continue in effect.

"TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

"SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool (including mohair), tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat as follows:

"(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

"(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

"(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

"TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

"SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

"SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

	The level of support shall be not less than the following percentage of the parity price:
"If the supply percentage as of the beginning of the marketing year is:	
"Not more than 102.....	90
More than 102 but not more than 104..	89
More than 104 but not more than 106..	88
More than 106 but not more than 108..	87
More than 108 but not more than 110..	86
More than 110 but not more than 112..	85
More than 112 but not more than 114..	84
More than 114 but not more than 116..	83
More than 116 but not more than 118..	82
More than 118 but not more than 120..	81
More than 120 but not more than 122..	80
More than 122 but not more than 124..	79
More than 124 but not more than 126..	78
More than 126 but not more than 128..	77
More than 128 but not more than 130..	76
More than 130.....	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

"SEC. 303. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

"TITLE IV—MISCELLANEOUS

"SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

"(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commod-

ity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

"(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

"(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

"SEC. 402. Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

"SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

"SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act, may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

"SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

"SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed

the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

"SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

"SEC. 408. For the purposes of this Act—

"(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

"(b) A 'cooperator' with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

"(c) A 'basic agricultural commodity' shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

"(d) A 'nonbasic agricultural commodity' shall mean any agricultural commodity other than a basic agricultural commodity.

"(e) The 'supply percentage' as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

"(f) 'Total supply' of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

"(g) 'Carry-over' of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

"(h) 'Normal supply' of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

"(i) 'Marketing year' for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

"(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this Act.

"SEC. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining 'adjusted base price'), is amended by adding at the end thereof the following: 'As used in this subparagraph, the term "prices" shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942.'

"(b) Section 301 (a) (1) (C) of such Act, as so amended (defining 'parity index'), is amended (1) by inserting after the word 'buy' a comma and the following: 'wages paid hired farm labor', and (2) by inserting after 'such prices' a comma and the word 'wages'.

"(c) Section 301 (a) (1) of such Act, as so amended, is amended by adding at the end thereof the following new subparagraph:

"(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the four-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949.'

"(d) Section 301 (b) (10) (A) of such Act, as so amended (defining 'normal supply'), is amended by striking out '7 per centum in the case of corn' and inserting in lieu thereof '10 per centum in the case of corn'.

"(e) Section 322 (a) of such Act, as so amended (relating to corn marketing quotas), is amended by adding at the end thereof the following: 'With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as "such calendar year" for the purposes of (1) and (2) of the preceding sentence.'

"(f) Section 328 of such Act, as so amended (relating to corn acreage allotments), is amended by striking out 'reserve supply level' and inserting in lieu thereof 'normal supply'.

"SEC. 410. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: 'Provided, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841).'

"SEC. 411. Section 32, as amended, of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: 'The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products.'

"SEC. 412. Determinations made by the Secretary under this Act shall be final and conclusive: *Provided*, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

"SEC. 413. This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.

"SEC. 414. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this Act are hereby repealed.

"SEC. 415. (a) Except as modified by this Act or by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 207 (a), and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.

"(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

"(c) Section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended by section 201 (d) of the Agricultural Act of 1948, is amended (1) by striking out of subparagraph (A) the following: 'cotton,' (2) by striking out of subparagraph (A) the following: '30 per centum in the case of cotton,' and (3) by adding at the end thereof the following subparagraph:

"(C) The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.'

"(d) Section 301 (b) (16) of the Agricultural Adjustment Act of 1933, as amended by section 201 (e) of the Agricultural Act of 1948 is amended (1) by striking out of subparagraph (A) the following 'cotton,' and (2) by adding the following subparagraph:

"(C) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such

marketing year begins and the estimated imports of cotton into the United States during such marketing year."

"(e) Sections 201 (c), 205, 206, and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

"Sec. 416. In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

"Sec. 417. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by the Bank for Cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures."

"(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures located in areas in which existing privately owned storage

facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures."

"Sec. 418. (a) Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"APPORTIONMENT OF NATIONAL ACREAGE
ALLOTMENT

"Sec. 353. (a) The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period.

"(b) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: *Provided*, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 percent of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made but who have not produced rice in any one of the past 5 years, on the basis of the applicable apportionment factors set forth herein: *Provided*, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past 5 years, on the basis of the applicable apportionment factors set forth herein.

"(c) Notwithstanding any other provisions of this act—

"(1) if farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and

the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: *Provided*, That the State committee may reserve not to exceed 5 percent of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

"(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

"MARKETING QUOTAS

"Sec. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

"(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

"AMOUNT OF FARM MARKETING QUOTA

"Sec. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the "farm marketing excess": *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

"PENALTIES AND STORAGE

"Sec. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

"(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

"(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this act.

"(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

"(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

"(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: *Provided*, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm."

"(b) Section 301 (b) (1) (B) of the Agricultural Adjustment Act of 1933, as amended, is amended by inserting after the word 'cotton' a comma and the word 'rice'.

"(c) Section 301 (b) (9) of the Agricultural Adjustment Act of 1933, as amended, is amended by inserting after the comma following the word 'cotton' the word 'rice'.

"Sec. 419. Section 344 (a) (3) of the Agricultural Adjustment Act of 1933, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure '10' in the first sentence and inserting therefor the figure '15', and (ii) by striking the figure '30' in the proviso and inserting therefor the figure '20'."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
REID F. MURRAY,

Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
SCOTT W. LUCAS,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1933, as amended, and for other purposes, submit the following statement in explanation of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the bill struck out all after the enacting clause and inserted in lieu of the text of the House bill the amended text of a bill as passed by the Senate. The conferees have agreed upon amendments to the Senate amendment to bring it more closely into conformity with the objectives of the bill as passed by the House.

Except for clarifying, minor, or technical changes the differences between the House bill and the bill as agreed upon by the committee of conference and recommended in the accompanying report are explained below.

GENERAL STATEMENT

The bill as recommended by the conferees repeals the price-support sections of title II of the Agricultural Act of 1943 and establishes a permanent support program for agricultural commodities embodying the following major factors:

(1) Establishment of a modernized parity formula that includes wages paid hired labor in the computation of parity prices;

(2) A provision that for four crop years beginning with the 1950 crop year, in order to cushion the transition from uncontrolled to controlled production or marketing of basic commodities and the shift to the new parity formula, that the parity price for the basic commodities shall not be lower than the parity price for such commodities as computed under the parity formula now in effect;

(3) A classification of agricultural commodities under three main groups for purposes of price support—(a) basic commodities, (b) designated nonbasic commodities, and (c) all other nonbasic commodities;

(4) In order to cushion further the transition from wartime production, the bill also provides that, regardless of the supply position, the support level for the six basic commodities shall not be less than 90 percent of parity for the 1950 crop and not less than 80 percent of parity for the 1951 crop, provided producers have not disapproved marketing quotas and acreage allotments or marketing quotas are in effect on such crops.

TITLE I—BASIC AGRICULTURAL COMMODITIES

Mandatory price supports are provided to cooperators for the basic commodities—corn, wheat, cotton, rice, peanuts, and tobacco. For the four crop years 1950, 1951, 1952, and 1953, in order to cushion the transition

period during which producers are required to reduce production, support levels for the basic crops are to be computed both under the existing parity formula and under that established in the bill, and producers given the advantage of the higher of the two parity prices, hereinafter referred to as "alternative parity." It is estimated that for the first few years the existing formula will provide a higher parity for certain of the basics, while the new formula will provide a higher parity for livestock and certain other commodities.

The support level for the basic commodities will be 90 percent of parity for the crop year 1950 and not less than 80 percent for the crop year 1951, if producers have not disapproved marketing quotas and if acreage allotments or marketing quotas are in effect. Tobacco is to be supported permanently at 90 percent of parity whenever marketing quotas are in effect. The alternative parity will be available each of these years and it is estimated that for the years 1950 and 1951, the level of support to producers of cotton and probably other basic commodities will be higher than it would be at 90 percent of modernized parity. After the crop year 1951, the support level for all of the basics, except tobacco, will be not more than 90 percent of parity and not less than the minimum level specified in the tables in this title, and the alternative parity will continue through the crop year 1953.

It is the understanding of the conferees that in computing the parity price under the existing formula, the weights and factors used to make up the parity index at the time of the conference (October 18, 1949) will continue to be used.

This title of the bill contains schedules which establish minimum levels of price support in relation to supplies. In carrying out the mandatory price-support program for the basic commodities, however, the Secretary is not bound to fix the price support at the minimum level prescribed by the schedules, nor shall he be bound in any respect by the factors set forth in section 401 (b), but is given full discretionary authority to establish the support level at any point up to 90 percent of parity.

If producers disapprove marketing quotas, the support level will be 50 percent of parity except in the case of tobacco, for which there will be no price support if marketing quotas are disapproved.

The level of price support for corn to cooperators outside the commercial corn-producing area will be 75 percent of the level of price support to cooperators in the commercial corn-producing areas.

Under the House bill the basic commodities were to be supported for 1 year at 90 percent of the parity price whenever producers had not disapproved marketing quotas.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

Beginning in 1950 permanent mandatory price support is made available for certain nonbasic agricultural commodities, at levels to be determined by the Secretary of Agriculture within the minimums and maximums provided in the bill. Wool, including mohair, is to be supported at such levels between 60 to 90 percent of the parity price as the Secretary of Agriculture determines necessary, in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool. Tung nuts, honey, and Irish potatoes are to be supported within a range of 60 to 90 percent of parity. Whole milk, butterfat, and the products thereof, are to be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an

adequate supply. The Secretary is required to provide price support for milk, butterfat, and the products thereof, through loans on, or purchases of, the products of milk and butterfat.

In providing price support for milk, butterfat, and the products of such commodities, it is intended that programs will be carried out through loans on, or purchases of, butter, cheese, evaporated milk, and dry milk powders so as to assure to the producers of milk and butterfat the benefit of the price support authorized by the bill.

The requirement that the price of wool, including mohair, be supported at not less than 60 or more than 90 percent of parity contemplates that separate parity price will be computed for sheep's wool and mohair, respectively. The level of support for mohair may vary from that for sheep's wool within the range indicated. The level of support for sheep's wool must, however, be such as to encourage an annual production of 360,000,000 pounds of shorn wool independent of pulled wool or mohair. In establishing the level of support for mohair within the 60 to 90 percent of parity range the Secretary would, of course, be expected to take into account the level of support established for sheep's wool and to establish a level of support for mohair in proper relationship to the level of support for sheep's wool. The term "wool" includes both shorn and pulled wool.

Under the House bill mandatory price support was provided for hogs, chickens, milk, butterfat, and eggs, until January 1, 1951, at 90 percent of the parity or comparable price. Irish potatoes, dry peas (certain varieties), dry beans (certain varieties), soybeans for oil, peanuts for oil, American-Egyptian cotton, sweetpotatoes, and turkeys were given mandatory price support at not less than 60 percent of the parity or comparable price and not more than the level of the parity or comparable price at which such commodities were supported in 1948, which in most instances was 90 percent of the parity or comparable price. Wool was given mandatory price support until June 30, 1951, at the 1946 support price level.

Mohair was given mandatory price support at not in excess of 90 percent of the parity price, taking into account the parity price at which wool was being supported.

Cottonseed was given mandatory price support at levels not in excess of the parity price, taking into account the price levels at which other commodities are being supported.

Price support was authorized until January 1, 1951, for all other agricultural commodities at the discretion of the Secretary. Price-support programs with respect to any such commodities were required to be carried out so as to bring the price and the income of the producers of such commodities to a fair parity relationship with the other commodities receiving mandatory price support. Price support for these commodities were also dependent upon the availability of funds for such operations.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

Under this title of the bill the Secretary of Agriculture is authorized to support any agricultural commodity other than those designated title I and title II at levels not in excess of 90 percent of the parity price.

Within the availability of funds for mandatory price-support programs, and after consideration of certain factors enumerated below, price support is required, insofar as feasible, to be made available to producers of any storable nonbasic agricultural commodity for which a marketing quota or marketing agreement or order is in effect.

The factors to be taken into consideration by the Secretary in determining whether price-support operations shall be undertaken, and the level of such support, are as follows:

- (1) The supply of the commodity in relationship to the demand therefor;
 - (2) The price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relationship to corn;
 - (3) The availability of funds;
 - (4) The perishability of the commodity;
 - (5) The importance of the commodity to agriculture and the national economy;
 - (6) The ability to dispose of stocks acquired in price-support operations;
 - (7) The need for offsetting temporary losses of export markets;
 - (8) The ability and willingness of producers to keep supplies in line with demand.
- In the case of any commodity for which price support is not mandatory, the determination as to whether a price-support operation shall be undertaken and the level of such support is to be made after consideration of the factors enumerated above.

These factors are substantially the same as contained in title II of the Agricultural Act of 1948, the main exception being the addition of the reference to feed values of feed grains in relation to corn.

CHANGES IN THE PARITY FORMULA

The bill recommended by the conferees continues the provision of title II of the Agricultural Act of 1948 for a modernized parity formula to become effective in 1950, with the additional provision that wages paid hired farm labor are to be used in computing the parity index and that wartime subsidy payments to producers to maintain ceiling prices under the Emergency Price Control Act of 1942 shall be taken into consideration in determining parity prices.

The parity formula thus established sets up a parity price structure favorable to a livestock agricultural economy. The parity prices for most livestock and animal products are relatively higher under the new parity and those for the grains and certain other basic commodities are relatively lower. In order to bridge the transition from the existing parity formula to that established in the bill, the provision has been included which requires that for the first four crop years after the effective date of the act (1950 through 1953) support prices for basic commodities shall be based upon the higher of the two parity formulas—that established in the bill and that now in operation—thus setting up the existing parity for the basic commodities as an effective minimum parity for the next 4 years.

METHODS AND PREREQUISITES OF PRICE SUPPORT

The Secretary is authorized to require such compliance by producers with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law) as he determines necessary, in order to be eligible for the price support. This provision is substantially the same as the provision contained in the Agricultural Act of 1948 and, among other things, will authorize the Secretary of Agriculture to condition price support for potatoes and other nonbasic agricultural commodities upon producers agreeing to use marketing agreements and orders issued pursuant to the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, with respect to such commodities in such production or marketing areas as the Secretary may designate.

FORWARD PRICING

The bill provides for forward pricing and directs the Secretary of Agriculture, insofar as practicable, to announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing season. The level of price support so announced may not exceed 90 percent of the estimated parity price, but in no event shall the level of price support so

announced be reduced if the level provided in the schedules in the bill is less than the level so announced.

The words "insofar as practicable" were included in this section so as not to preclude the Secretary from providing price support in instances where no announcement was made prior to the planting or marketing season. For example, situations might arise under which conditions might not have warranted the announcement of a price-support program with respect to a nonbasic agricultural commodity until after the planting season or the beginning of the marketing season had passed. This provision would permit the Secretary to provide price support for such a commodity even though he had made no announcement prior to the planting or marketing season.

DISPOSAL OF AGRICULTURAL COMMODITIES

In determining general sales policies for basic agricultural commodities or storable nonbasic commodities, the Commodity Credit Corporation and the Secretary of Agriculture are required to establish such prices, terms, and conditions as will not discourage or deter manufacturers, processors, or dealers from acquiring and carrying normal inventories of the current crop of the commodity. The Corporation is not permitted to sell any basic agricultural commodity or storable nonbasic commodity at less than 5 percent above the current support price for such commodity, plus reasonable carrying charges. In determining reasonable carrying charges the Secretary or the Corporation is not required to compute the actual cost incurred in carrying the commodity, but it is intended that there should be established a reasonable amount for carrying charges sufficiently realistic to discourage manufacturers, processors, and dealers from relying on Commodity Credit Corporation stocks as a source of supply rather than carrying normal inventories of their own.

In order to prevent waste of food commodities acquired through price-support operations found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon such terms and conditions as may be deemed in the public interest, to make such commodities available to the Munitions Board or any other Federal agency for use in making payment for commodities not produced in the United States. Any such commodities not disposed of in the manner referred to above may be made available at point of storage, at no cost except handling and transportation costs incurred in making delivery, in the following order of priority: (1) the school-lunch program and to the Bureau of Indian Affairs and Federal, State, and local public-welfare organizations for the assistance of needy Indians and other needy persons; (2) to private welfare organizations for the assistance of needy persons within the United States; and (3) to private welfare organizations for the assistance of needy persons outside the United States.

RICE

The bill completely revises the method of establishing and apportioning acreage allotments and marketing quotas for rice, and authorizes allotments to farms upon farm history, upon the recommendation of the State committee and approval of the Secretary, instead of to producers upon personal history, as was previously the case.

AMENDMENTS TO THE FARM CREDIT ACT

The Farm Credit Act is amended to authorize banks for cooperatives and the Central Bank for Cooperatives to make loans to cooperative associations for the purpose of financing up to 80 percent of the cost of the construction of structures for the storage

of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate). Such loans are not authorized unless the cooperative association making application for the loan shall have furnished the bank an appropriate commitment from the Commodity Credit Corporation that the Corporation will lease or guarantee the utilization of not less than 75 percent of the storage space contained in such structures, when completed, for a period of at least 3 years in the case of completely new structures or 2 years if such structures are an addition to existing structures.

MISCELLANEOUS PROVISIONS

Price support in excess of 90 percent of the parity price may be made available for any agricultural commodity if the Secretary of Agriculture determines, after reasonable notice and public hearing, that price support at such increased levels is necessary in order to prevent or alleviate a shortage in the supply of any such agricultural commodity essential to the national welfare, or in order to increase or maintain production of any such commodity in the interest of national security.

Appropriate adjustments are authorized to be made in the support price for differences in grade, type, staple, quantity, location, and other factors. Middling $\frac{3}{8}$ -inch cotton is made the standard grade for purposes of parity and price support, continuing the policy which has heretofore prevailed with respect to cotton and is in accord with a similar provision contained in Public Law 272, Eighty-first Congress.

Sums made available under section 32 of the act approved August 24, 1935, which represent 30 percent of the gross receipts from duties collected under the custom laws, are directed to be devoted principally to the support of perishable nonbasic agricultural commodities other than those designated under title II of the Agricultural Act of 1949.

The bill amends section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, which relates to cotton, so as to authorize county committees to reserve not in excess of 15 percent of the county allotment for the uses authorized therein.

HAROLD D. COOLEY,
STEPHEN PACE,
W. R. POAGE,
GEORGE M. GRANT,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
REID F. MURRAY,

Managers on the Part of the House.

The Clerk read the statement.

The SPEAKER pro tempore (Mr. COOPER). The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER pro tempore. Will the gentleman yield so that Members may ask permission to extend their remarks?

Mr. COOLEY. I yield.

EXTENSION OF REMARKS

Mr. KUNKEL asked and was given permission to extend his remarks in the Record and include an article by Constantine Brown.

Mr. ROONEY asked and was given permission to extend his remarks in the Record and include a statement by the Very Reverend Monsignor John J. McClafferty.

Mr. BEALL asked and was given permission to extend his remarks in the Record and include a statement.

Mr. BARING asked and was given permission to extend his remarks in the Record.

Mr. BOLLING asked and was given permission to extend his remarks in the Record at this point.

[Mr. BOLLING addressed the House. His remarks will appear hereafter in the Appendix.]

EXTENSION OF REMARKS

Mr. CAVALCANTE asked and was given permission to extend his remarks in the Record on House Document No. 336.

Mr. BENNETT of Florida asked and was given permission to extend his remarks in the Appendix of the Record.

Mr. DAVIES of New York (at the request of Mr. SUTTON) was granted permission to extend his remarks in the Record.

Mr. JACOBS asked and was given permission to extend his remarks in the Record.

Mr. HOWELL asked and was given permission to extend his remarks in the Record and include testimony given before the Foreign Affairs Committee.

Mr. BECKWORTH asked and was given permission to extend his remarks in the Record and include a letter.

Mr. PLUMLEY asked and was given permission to extend his remarks in the Record in three instances, in one to include extraneous matter.

Mr. WIGGLESWORTH asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. JENSEN asked and was given permission to extend his remarks in the Record.

Mrs. BOLTON of Ohio asked and was given permission to extend the remarks she made before the House on Thursday, October 13, and to include several documents pertinent to the Council of Europe.

Mrs. HARDEN asked and was given permission to extend her remarks in the Record in four instances and to include extraneous matter.

Mrs. HARDEN asked and was given permission to extend her remarks in the Record and include a speech she delivered at French Lick, Ind., before the annual convention of National Grain and Feed Dealers' Association; also to extend her remarks in the Record and include a speech delivered by K. Frances Scott, M. D.

Mrs. HARDEN asked and was given permission to extend her remarks in the Record and include a speech given in Indianapolis before the North Central Regional Conference.

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial.

Mr. CHURCH asked and was given permission to extend his remarks in the Record in two instances.

Mr. MICHENER asked and was given permission to extend his remarks in the Record in four instances and to include extraneous matter in each.

Mr. GOODWIN asked and was given permission to extend his remarks in the

Record in two instances and to include an editorial.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the Record and include an article on transportation.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the Record in two instances and in each to include extraneous matter.

Mr. HAND asked and was given permission to extend his remarks in the Record at this point.

VETERANS' TRAINING PROGRAM

Mr. HAND. Mr. Speaker, the vice of attaching legislative riders to appropriation bills has been well illustrated by our recent action, when we passed an appropriation bill for the Veterans' Administration and other agencies, but at the same time improperly included legislation which has had a serious adverse effect on the veterans' training program.

Among other things, the legislation provided that no schools which had been established for less than 1 year could be certified as training schools for veterans.

This is especially unfortunate in a district such as mine where vocational training has not been emphasized and where there are few, if any schools established for that purpose. A particularly pertinent illustration of these difficulties has been called to my attention by a veterans' service officer where an established school of drafting approved by the State of New Jersey desired to establish a branch of this established school in my district, which from the very beginning would have afforded night school training to 65 eligible veterans—but even a branch of an established school was forbidden under the inflexible "rider" which was found in the appropriation bill. Of course, if the appropriation bill had been rejected for this reason, the Veterans' Administration would have been without any operating funds.

Mr. Speaker, the distinguished Senator from Ohio, Mr. TAFT, succeeded in having the Senate pass his bill, S. 2596, which goes a long way toward correcting these errors. Among other things, for example, the bill provides that—

Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph.

On yesterday, our colleague, the gentleman from Texas [Mr. TEAGUE], who had introduced his own similar bill, H. R. 6378, sought the unanimous consent of the House to pass this legislation, and, unfortunately, his efforts were blocked by a single objection. I am quite sure the objection would not have been made if the contents of the proposal had been fully understood.

This corrective legislation is urgently needed. There are many schools in my district that could be of great service in the veterans' training program if they are not barred by this arbitrary and inflexible situation with which we are confronted.

Mr. William E. Sturm, the county service officer of the Cape May County Veterans' Bureau, has written me in part as follows:

We have obtained approximately 65 certificates of eligibility and entitlement for World War II veterans for the express purpose of attending this school. Approximately 2,500 more veterans in this county have never applied for certificates of eligibility under Public Law 346 because no private trade or public vocational schools were available in this county where they could attend in their spare time—that is, evening courses, and so forth—while earning a living at their usual occupation in the daytime. In addition we have many disabled veterans needing rehabilitation under Public Law 16 whom this contemplated drafting school would have helped considerably.

We would like to see this law repealed in order to have an existing trade school open a subsidiary or branch school in Cape May County. Your earnest efforts in helping us in this matter will be deeply appreciated. I can furnish you a list of the World War II veterans now in my files who are ready to attend this school if we can open same. Veterans without sufficient credits to attend institutions of higher learning are deprived under this new law of privileges that were granted or implied under title II of Public Law 346. If your efforts in having this law repealed are successful; rest assured that you will obtain all the gratitude and credit that your good work will deserve.

From every section of my congressional district has come similar pleas.

Mr. Speaker, one of the soundest and wisest things that the Congress has done in the entire veterans' program is to provide for veterans' training. Of course, in many instances it has been abused, but the over-all results will be of great benefit, not only to the veterans themselves, but to the country. I sincerely hope that you will find a way to consider and pass the Taft bill or the Teague bill on this, the last day of the current session, and if the opportunity is given the House by you, Mr. Speaker, I trust that all of the Members will unanimously agree to immediate passage.

(Mr. FORD asked and was given permission to extend his remarks in the RECORD at this point.)

[Mr. FORD addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD at this point.)

Mr. COLE of Kansas. Mr. Speaker, it has become a habit to enact farm legislation on the day Congress adjourns. This is not because it is naturally the last order of business. Rather it is because farm legislation has become the No. 1 political battleground. So heated and bitter is the issue that agreement on any one bill is almost impossible.

The debates on the Brannan plan, the Anderson bill, the Hope-Aiken law have high-lighted the parity issue. The great argument has been flexible versus inflexible parities.

Another side of the problem has been worrying farmers in the First District of Kansas. While price is an important item with them, they are now greatly concerned over the method of fixing quotas and allotments.

This is particularly true of the farmer who lives on an 80-acre or a quarter section farm. He has a different attitude toward his farm than the commercial wheat grower. The 80-acre farmer looks upon his land as his home. It is his castle, not to be invaded at will. So, he deeply resents being told how many acres of wheat he can plant.

The question becomes, then, Can we have price support, and still recognize the claims of the small-acreage farmer?

I believe there is a distinction between these farmers. For this reason I have been studying the possibility of granting an exemption of 40 acres of wheat, which may be planted free from the quota or allotment.

This distinction seems proper because the large operator is conducting a commercial business and the 80-acre farmer is managing a home.

It is also true because the free wheat would be consumed on the small farm. It would not be a part of the wheat supply of the Nation.

Farm legislation will again be a major issue in the next session of Congress. I am hopeful that consideration be given to the idea of helping the farmer on the small acreage.

EXTENSION OF REMARKS

Mr. TALLE asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous material.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and to have them appear during the discussion of the conference report on the agricultural bill.

Mr. BREHM asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HARDIE SCOTT asked and was given permission to extend his remarks in the RECORD.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the RECORD and include an address he delivered in Fredericksburg, Va., in one instance, and in another instance to include certain extraneous matter.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, and in one to include extraneous matter.

Mr. RHODES asked and was given permission to extend his remarks in the RECORD.

Mr. NORRELL asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD in two instances.

AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I yield myself 15 minutes.

The SPEAKER pro tempore. The gentleman from North Carolina is recognized for 15 minutes.

Mr. COOLEY. Mr. Speaker, I am certain that all of us appreciate the importance of the legislation which is now about to be considered. We may all be

happy in the glad thought that at least temporarily farm legislation has been removed from partisan politics.

In the outset I want to commend and congratulate both my Democratic and Republican colleagues and conferees on the very splendid manner in which they approached the performance of their duties, and upon the excellency with which they have discharged those duties. In conference we sought as best we could to vindicate the position of this House, and I am revealing no secret when I say that your seven conferees saw eye to eye on every proposition presented; never for a moment was there any division along party lines. We went into the conference with open minds, fully aware of the gravity of the responsibilities involved. I know that all of you realize that for many long and weary hours we sat in conference after conference and apparently accomplished absolutely nothing. We went into the conference believing that this House had taken a very definite position with regard to a farm price support program; we went into the conference believing that this House wanted to repeal the price formula for a support program as provided in the Aiken bill. Forty-eight hours ago the situation looked very discouraging, but on yesterday we reached unanimous agreement. So we bring you today a conference report signed by every Democrat and every Republican to whom had been assigned the responsibility of reaching an agreement and composing differences.

This bill is not perhaps exactly like I would have it; it perhaps does not meet with the entire approval of anyone. But all of us know that legislation is the result of compromise. We went into the conference knowing that we would have to compromise, and in an effort to compose our differences we did compromise. We bring to you a bill now of such character that I believe that every Democrat and every Republican can take just pride in the accomplishment of your conferees.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. COUDERT. I would like to observe that there are 8,000,000 consumers in the city of New York who will not share the gentleman's satisfaction with the handiwork of the conferees.

Mr. COOLEY. That proves what I said a moment ago that we do not expect this legislation to meet with the entire approval of everybody. I doubt very much if the gentleman who has just spoken is authorized to speak for the millions for whom he has attempted to speak. I do not know whether or not the gentleman heard this report read a moment ago, but I think the statement just read to the House is broad and comprehensive enough to alleviate the fears which are apparently entertained by the gentleman and some of his constituents.

I know that some people of this country have been led to believe that there is a farm bloc in the Congress and that this farm bloc is a selfish one seeking to gain advantage over other people. There is nothing in the farm program that could justify such a belief. It was stated when

we were here before, considering farm legislation, that in this very session of Congress we had voted to lift the minimum wage level, we have voted to increase the pay of postal workers, of all Government workers, of the Army, the Navy, and the Marine Corps as well as the Air Corps; yes, to increase the pay of every bureaucrat and cabinet officer. We have increased the pay of every man and woman over whose livelihood we have any control. Yet we were faced with the proposition that in this situation when all Government employees have been increased and when industry is reaching up and up for higher and higher wages and better pension plans, we should take the farmer back to pre-war days and lower the support price.

Mr. Speaker, the support price was used in war to bring about a much-needed increase in production. Actuated by that incentive the farmers of this Nation performed magnificently. Now in the postwar period agriculture is faced with the necessity of bringing about drastic reductions in production. So, now, we are attempting to use the support program to prevent the production of surpluses. It is not for the purpose of bringing about a program of scarcity, but, rather, to encourage a program of abundance, yet to encourage a program which will eliminate the possibility of surpluses that might well destroy our agricultural economy.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield briefly to the gentleman from Pennsylvania.

Mr. RICH. What does the gentleman intend to do with the surpluses that are now on hand?

Mr. COOLEY. That is covered in the bill and will be discussed hereafter by speakers who will follow me. May I say right here and now that it shall not be my purpose to discuss the details of this measure. I intend to yield immediately to the distinguished chairman of the subcommittee, the gentleman from Georgia [Mr. PACE], and if the membership of this House will be patient for a little while and will listen to the gentleman from Georgia, who will be followed by the distinguished gentleman from Kansas [Mr. HOPE], the former chairman of my committee, who will be followed by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], and by the gentleman from Wisconsin [Mr. MURRAY], I think that we could obviate the necessity of asking so many questions about what we are doing in the bill before us.

Mr. RICH. I would like to ask one question. In regard to the statement the gentleman has just made about the fact that you are trying to limit the amount of production, when you limit the amount of production and you increase the price, then are you going to blame it on the Republicans for having a high cost of living?

Mr. COOLEY. No, and I maintain that the price-support programs of the past have not resulted in bringing about the high cost of living. But for those programs which caused the farmers of this Nation to bring about the production which they have achieved, you

would have had a scarcity of production and would not have had an abundance from which to have made your purchases in the cities. Whenever a city Congressman has to go back to his district to answer to his constituents, he need not apologize to them for having supported farm legislation, and anyone who understands the farm program knows that. The trouble is that the people who criticize it know very little about it.

Mr. RICH. Well, what are we going to do about it when you increase prices?

Mr. COOLEY. We are not attempting to increase prices, and the fact is that during the time that we have had these programs in effect most of the commodities have been selling above the support price. But, now we are facing a period of transition. We are told that American agriculture will, in the future, be faced with the necessity of taking out of production 28 to 30 million acres of land; that we will be faced with the necessity of making drastic changes in the pattern of American agriculture. Instead of criticizing this report it seems to me that every Member of this House, be he from a city district or from a rural district, should take pride in the fact that we are bringing here a reasonable bill; not a bill that seeks to gouge the city consumer, not a bill that seeks to enrich the farmer, but a bill that seeks to deal fairly with the great segment of our economy.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Would the gentleman be willing to take off supports entirely on poultry and eggs, except what the Secretary might give to them?

Mr. COOLEY. I would like to say in that connection that the House bill reported by our committee included hogs and eggs. Every conferee representing this House voted to keep hogs and eggs in this measure. But we realized, as I said a moment ago, that all legislation is the result of compromise, and we could not get all that we wanted. But, I do want to say on our own behalf that we stood by the position of the House.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has outlined the very able and distinguished representatives of cotton, tobacco, and peanuts who will be heard on this measure, and I am anxious to hear them. May I inquire whether there will be any opportunity for the opponents of the compromise to be heard?

Mr. COOLEY. If there is any time left I will be very glad to yield to the opponents, if there are any opponents in the House. But I did not know that we were going to have any opponents.

Mr. KEATING. I would appreciate it if the gentleman would afford me 5 minutes to be heard in opposition.

Mr. COOLEY. If, after the conferees have been heard, time remains, I should be very glad to see to it that anyone who wants to speak in opposition is afforded an opportunity to be heard.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I am not in opposition, but I should like to have the gentleman, who has the respect of every Member of this House as far as agriculture is concerned, tell us why it is we cannot sell our tobacco in foreign countries.

Mr. COOLEY. The answer to that is that foreign countries do not have the dollar exchange with which to purchase American tobacco. No one is more interested in selling tobacco abroad than I. However, that is the situation, and we all seem to realize it. We are trying to sell it in foreign markets, and we are largely dependent on foreign markets. But for the instability of foreign currencies we would be able to broaden our exports.

Mr. NICHOLSON. Is it because they put up such a tariff that we cannot sell our tobacco in England, Canada, France, and other countries?

Mr. COOLEY. I doubt if the tariff has very much to do with it, although I agree with the gentleman that the tariff is far too high. I hope that under our international policy we may be able to lower the tariffs on tobacco so that we may sell it in foreign markets more easily.

Mr. NICHOLSON. I thank the gentleman from North Carolina.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield to me for a commendatory statement?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. As a Republican Member of this House and as a Representative from both a great agricultural and industrial region, may I say that I am in accord with what the gentleman has had to say. He has done it in a non-partisan and a statesmanlike manner. I think it is a good job that has been done. It will put in the hands of the farmers of this country a purchasing power that will enable them to buy the products of the industrial sections with which they cultivate their land.

Mr. COOLEY. I thank the gentleman very much.

In conclusion, I do want to ask the House to be patient and attentive as I yield to three or four of my colleagues who will discuss the details of this measure. I think it will be advantageous for all of you to know just what is in this measure, so that when you return home you will be able to discuss and explain it to your constituents.

Mr. Speaker, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I shall undertake to give you very quickly and briefly the provisions contained in the bill and the intentions of the Conference Committee. I presume practically every Member of the House would like to take with him tonight or tomorrow either a full knowledge of the bill or at least a copy of the CONGRESSIONAL RECORD which contains a statement of the bill.

The bill breaks down the some 200 or more agricultural commodities into four

classes; the basics, the storable nonbasics, some five or six special nonbasics, and then all other agricultural commodities.

Now, as to the basics, which are cotton, corn, wheat, rice, tobacco and peanuts, the bill provides that the producer shall enjoy a support price not in excess of 90 percent, with some exceptions which I will mention, nor less than 75 percent of parity. Then there are included in the bill, to be found in sections 101 (a) and (b) on page 2 of the committee report, certain tables which fix minimums between 75 and 90 percent, depending upon the supply. I should like to make it clear at this point and I hope to have an opportunity to refer to it later, that it is the distinct purpose of the tables to do no more than fix the lowest possible minimum levels of support and not the maximum.

As to the basics, the bill provides that next year, 1950, the support price, when they are under control, that is, under acreage allotments or marketing quotas, shall be 90 percent of parity. Then in the next year, 1951, if still under controls, it shall be not less than 80 percent of parity. That, of course, was done, as was stated in the statement of the managers on the part of the House, in order to be sure to cushion the fall in the support level under the general terms of the bill.

A new parity formula, which goes into effect under this bill, known as the 10-year moving average, would drastically cut the parity price of some commodities and to keep that from coming about immediately, the bill provides that for the basic commodities during the next 4 years the Secretary shall use as the support price the parity index which is the highest under either the current parity formula, or under the new parity formula contained in the bill. That is a further cushion against any drastic drop in prices.

The bill then provides that if the producers are asked to go under marketing quotas and they disapprove by two-thirds majority, then their support prices will drop to 50 percent of parity.

Those are the general provisions of the bill as to the basic commodities.

We also have in the bill what is a new grouping of commodities, which has not been in previous legislation, known as storable nonbasic commodities. While I shall not try to mention them all, they are, for example, such commodities as oats, rye, barley, grain sorghums, soybeans and commodities which, like wheat and cotton, can be stored without serious loss.

As to those the bill provides that when production of those commodities are either under marketing quotas or under a marketing agreement or order, they, too, shall be supported at not in excess of 90 percent of parity nor less than the level shown in the table which you will find in section 302 on page 4 of the conference report. I think I should add that the bill does not contain provisions setting up authority for either marketing quotas or marketing agreements for the storable nonbasic commodities, and that

is the job which remains for the committee on the convening of the next Congress.

Then there are certain nonbasic commodities which are specially treated in the bill. The first is wool. Its support price shall be from 60 percent to 90 percent, the level to be determined by the Secretary as necessary to encourage the production of 360,050,000 pounds of shorn wool in this country.

The next three commodities are honey, Irish potatoes, and tung nuts. The bill provides they shall be supported at from 60 percent to 90 percent.

The next are dairy products, which are of great importance from the standpoint of value of all agricultural commodities in the United States. Whole milk, butterfat and the products thereof shall be supported at from 75 percent to 90 percent, the level to be determined by the Secretary as necessary in order to assure an adequate supply.

Then there remains that great field, all other commodities, such as fresh fruits, vegetables, and commodities of that kind. They are to be supported at from zero percent to 90 percent of parity. The Secretary determines the level of support, the terms and the conditions and the extent to which such operations are to be carried out in this type of support-price program.

In making the determination whether the producers who produce that type of commodity shall enjoy from zero to 90, these are the factors that the Secretary must take into consideration:

First, the level at which competing commodities are supported. The supply in relation to the demand; the levels at which other commodities are being supported, and, in case of feed grains, the feed value of such grains in relation to corn; the availability of funds; the perishability of the commodity, the importance of the commodity to agriculture and the national economy; ability to dispose of stocks acquired by the Government; the need for offsetting temporary losses of exports; the ability and willingness of producers to keep supplies in line with demand, that is, the compliance with marketing quotas, acreage allotments, production goals and marketing practices.

That covers briefly the four classes of commodities.

Here are the other principal provisions of the bill: The Secretary may raise the support above 90 percent in only two instances, in both of which there must be public hearings. One is where it is essential in order to secure an increased supply for the national welfare, and the other is to increase and maintain higher production in the interest of national security; for example, in time of an emergency or war.

In all support programs appropriate adjustments are required to be made as to grade, types, staple, quantity, location, and other factors. In the case of cotton, $\frac{3}{8}$ -inch Middling shall be the standard grade for purposes of parity and price support.

The bill provides that the commodity shall be the sole security for loans under

the support program. If practicable, that is, if he has the information as to the approximate acreage to be planted, and the average yields in the past, or other means of estimating the anticipated yields, the Secretary must announce to the producers the support price before planting time. After being so announced to the producers the support may not be reduced. That, of course, is a matter of great importance to producers, in order that they may know before they pitch the crop what the support level will be.

Now, this is very important to many Members. The question was raised: What is the Government going to do with the surpluses they now have on hand? The bill authorizes the Commodity Credit Corporation to sell commodities it has acquired and have not deteriorated. It sets up the pattern under which they may be sold. They might sell such commodities, but in doing so they must establish policies that will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the current crop.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. PACE. So, in selling these commodities back into the market, the price must be fixed at a high enough level that buyers will not stand by and let the Government take over the whole crop and then come to Washington to get their supplies. It must be maintained at a level where the ordinary businessman will buy his own needs in the market.

The bill then provides that they shall not set such commodities at less than 5 percent above the current support price, plus reasonable carrying charges. Of course, you understand it would never do to take surplus commodities owned by the Government and dump them into the market and break either the support price or the prevailing market price at the time.

The bill defines basic and nonbasic agricultural commodities, supply percentages, total supply, carry-over, normal supply, and other terms. The bill does something that this committee has been seeking for the last 10 years; it provides that in determinations under the new parity formula, in arriving at the parity index, there shall be taken into account wages paid hired workers.

May I say a word to our distinguished friend from New York. He stated a moment ago that the 3,000,000 people in the City of New York would be against this bill. I do not believe that the 8,000,000 people in New York would be against this bill any more than they were against raising the minimum wage to 75 cents an hour.

Certainly the teeming millions of New York, all 8,000,000 of them, applauded when this Congress raised the minimum wage to 75 cents an hour. But what did you do when that was done? You increased the wage rate the farmer must

pay in order to get his hired hands, and I cannot believe that the 8,000,000 people in the City of New York expect me as the representative of a great agricultural section to vote for that measure and then appear here and try to break the income of the people who must work in the fields in the sun to produce the food for them.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. PACE. Not now; I am sorry.

Nor do I believe that the teeming millions for whom the gentleman speaks complained when this Congress almost doubled the benefits under the Social Security Act. I do not know of anybody who has been benefited more by this Congress than the 8,000,000 people for whom the gentleman from New York speaks.

What does the farmer get from the increase, the doubling of the benefits under social security? He gets only one thing, the privilege of paying for it; that is all. When men rise here—I do not care who they are—and tell me that the people they serve are against this bill they do not know whereof they speak, because the time has come—Listen to me. The farmers of this Nation have learned that if they are going to sell their commodities to people in New York City the people in that city must have regular work and make a good wage; and I believe that the people in New York City know that if they are going to sell their manufactured products that the farm people must have good prices and stable incomes in order to buy those products.

I believe, and I will not accept the contrary statement of any city representative here today who takes the time to think this thing through and understand it, that there is a complete community of interest, a complete interdependence of one upon the other, the farmer and the wage earner, if we are going to maintain a prosperous Nation.

Mr. ROONEY. Mr. Speaker, will the gentleman yield for a question?

Mr. PACE. I yield.

Mr. ROONEY. Does the gentleman realize that social security is paid for by the employee and the employer? Is the gentleman comparing that with funds paid out of the Public Treasury?

Mr. PACE. No, I am not.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. COOLEY. Does not the gentleman know that it all goes into the total cost the farmer has to pay when he purchases an article manufactured in the city?

Mr. PACE. Everyone should agree to that; that is what I am talking about.

Mr. Speaker, I do not seek differences here; I am trying to find a common ground. I am trying to show that the man in the city should have and must have a sympathetic interest in the income and welfare of the farmers. There is a movement under way in this country today to add to the cost of manufactured goods the cost of a pension for all the workers in industry. This the farmers must pay in part every time they buy a manufactured article.

Another item in this bill which will be of great benefit to the teeming millions of the gentleman's city is the more liberal use of section 32 funds, that is, money received from import duties; that they must be used principally in disposing of the perishable commodities which the cities consume in such great quantities, that is, these funds can be used to make those commodities cheaper to the city people.

The next section repeals section 302 of what is known as the Aiken Act or the Agricultural Act of 1948, which was the support-price section and the heart of the Aiken bill. This repeal should please every farmer in the country.

The next section authorizes the Bank for Cooperatives to make loans under certain conditions to farmer cooperatives up to 80 percent of the cost for the construction of agricultural storage structures, that is, for the storage of agricultural commodities. But it provides that they cannot construct refrigerating units nor can they make these loans in communities which are already adequately served by storage facilities.

Now let me turn to the section in which many of you are interested. The Senate bill carried a provision for giving away agricultural commodities owned by the Commodity Credit Corporation which were about to spoil. For example, Irish potatoes. Instead of letting those commodities spoil this bill provides, not merely Irish potatoes but any agricultural commodity which is deteriorating and is about to spoil, that the Commodity Credit Corporation and the Secretary of Agriculture can give them first, to the Munitions Board or to any other Federal agency to be used in furthering the purchase of some commodity not produced in the United States. Secondly, they shall be given to the school-lunch program, to the Bureau of Indian Affairs, to any Federal, State, or local public-welfare organization, for assistance to needy Indians and other needy persons. Those are public institutions and they shall be given away in that order. Third, to private-welfare organizations for the assistance of needy persons in the United States. A lot of you have received telegrams from CARE and CROP and other similar organizations. Fourth, if there is any remaining, they are given to private-welfare organizations for assistance of needy persons outside of the United States. No organization is named. In order to receive any, these organizations must give such commodities to needy persons outside of the United States.

Mr. Speaker, let me say that results under this bill are going to depend upon its administration. We have provided in the bill and the conference report clearly states that the Secretary of Agriculture shall have full discretion in determining the level of support for the basic commodities up above the minimums fixed in the tables. As you go home I think it is important that you and those whom you serve understand that the tables are nothing but minima and there is full discretion in the Secretary of Agriculture to go above them up to 90 percent of parity regardless of

the tables and regardless of the factors set forth in section 401 in this bill.

The statement of the managers on the part of the House, which was read to you a few minutes ago, says this in no uncertain terms; here is the language:

In carrying out the mandatory price support program for the basic commodities the Secretary is not bound to fix the price support at the minimum level prescribed by the schedules, nor shall he be bound in any respect by the factors set forth in section 401 (b).

We were fully authorized by all members of the conference on the part of the Senate to incorporate that statement in our statement, and it is likewise the unanimous view of the members of the conference on the part of the House. These tables were never intended and are not now intended to do anything more than to fix minimums, not maximums. The Secretary of Agriculture is entirely free to use his own discretion in the consideration he shall give these tables and in announcing and maintaining support prices at levels higher than the minimums set forth in these tables, up to the full maximum. He is free to consider the general welfare, economic conditions, the need of maintaining a constant and high national income, and the effect the respective support levels will have upon the farmer's income.

We believe it is the duty and responsibility of the Secretary of Agriculture to protect and support the general welfare of the farmers, to raise and maintain their standard of living, and to see that they have the purchasing power necessary to provide a constant and ready market for manufactured and industrial goods.

Only recently the President of the United States stated that he favored a support level of 90 percent of the parity price and that the farmers should have a program which will assure them of their fair and full share of the national income. The Secretary of Agriculture has said as much, and we believe it is not only his solemn duty but is his desire and intention to see that the farmers enjoy those kinds of prices and that kind of income. We intend by this bill to see that he is vested with the free and unquestioned right and authority to do so insofar as the basic commodities are concerned, without restraint as to tables, factors, or any other conditions.

That, as we understand it, is the view of every member of the conference, House and Senate, and it was only by oversight and inadvertence that there was not stricken from section 401 (b) of the bill the words "and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity," or else that they were not modified to exempt their application to the basic commodities. They were not intended to apply to the basic commodities.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from New York.

Mr. COUDERT. I thank the gentleman for yielding to me. I was a little

afraid the gentleman was going to permit his assumption of representation of my district to stand and deprive the metropolitan area of an opportunity to be heard.

The gentleman has spoken of the income enjoyed by the great consumer population which I have the honor to represent. Let me ask the gentleman where in the statutes of the United States the consumer population of my area are guaranteed 90 percent of income return for their goods and services that they would need to put them on a par with farmers.

Mr. PACE. Let me say this to the gentleman—hear me, please, because I am stating facts as I have found them—that if the farmers and farm workers of this Nation enjoyed a minimum wage of 75 cents an hour, the support price would be considerably above 90 percent

of parity. The price at which a farmer sells his commodity only reflects his costs and the wages that he and his sons and daughters and hired workers receive for work in the field from sunup to sundown. I respectfully submit to my distinguished friend from New York, and I was never more sincere in my life, that when his people enjoy a minimum wage of 75 cents an hour, they are at the hands of this Congress enjoying greater protection than we today propose to throw around the people who work in the fields.

In conclusion I should like to have inserted in the RECORD at this point under the authority granted me, the table used by the members of the conference in judging the different parity prices and support levels under the House bill, the Senate bill, and the Agricultural Act of 1948:

Specified commodities: Estimated maximum support levels for 1950 based on parity index for July 15, 1949, and estimated average prices received by farmers, 1940-49

Commodity	Unit	90 percent present parity (Gore bill)	90 percent, title II, 1948 act (Aiken Act)		90 percent, title II, 1948 act, including wage rates ¹ (Anderson plan)		Income support standard (Brannan plan)
			Including transitional ²	Excluding transitional ³	Including transitional ²	Excluding transitional ³	
		(1)	(2)	(3)	(4)	(5)	(6)
Basic commodities:							
Wheat.....	Bushel.....	\$1.94	\$1.84	\$1.62	\$1.84	\$1.71	\$1.86
Corn.....	do.....	1.41	1.34	1.29	1.36	-----	1.45
Cotton.....	Pound.....	.2723	.2587	.2418	.2587	.2557	.2776
Rice.....	Bushel.....	1.78	1.96	-----	2.07	-----	2.24
Peanuts.....	Pound.....	.105	.100	.081	.100	.085	.0937
Tobacco:							
Flue-cured.....	do.....	.422	.428	-----	.453	-----	.487
Burley.....	do.....	.410	.435	-----	.460	-----	.490
Nonbasic commodities:							
Butterfat.....	do.....	.578	.586	-----	.657	-----	.663
Milk, wholesale.....	Hundredweight.....	3.51	3.69	-----	4.09	-----	4.19
Hogs.....	do.....	15.90	16.60	-----	17.50	-----	18.80
Eggs.....	Dozen.....	.472	.448	.400	.443	.423	.454
Chickens.....	Pound.....	.250	.257	-----	.272	-----	.288
Flaxseed.....	Bushel.....	3.71	3.78	-----	3.99	-----	4.27
Soybeans.....	do.....	2.11	2.24	-----	2.37	-----	2.52
Beans, dry edible.....	Hundredweight.....	7.40	7.44	-----	7.87	-----	8.38
Potatoes.....	Bushel.....	1.61	1.53	1.40	1.53	1.47	1.57
Beef cattle.....	Hundredweight.....	11.90	14.70	-----	15.60	-----	16.70
Lambs.....	do.....	12.90	15.80	-----	17.00	-----	18.20
Oats.....	Bushel.....	.877	.833	.731	.833	.773	.818
Barley.....	do.....	1.36	1.29	1.08	1.29	1.14	1.21
Apples.....	do.....	2.11	2.31	-----	2.44	-----	2.59
Wool.....	Pound.....	.402	.446	-----	.471	-----	.492
Oranges.....	Box.....	3.29	3.13	1.94	3.13	2.05	2.06

¹ Adjusted base prices for beef cattle, lambs, milk, and butterfat include wartime subsidy payments. Farm wage rates combined with the present parity index. Farm wage rates are weighted 7.8 percent and the present parity index is weighted 92.2 percent.

² Transitional parity prices for 1950 are 95 percent of parity prices according to the present formula. Transitional parity prices would apply for wheat, corn, cotton, peanuts, eggs, potatoes, oats, barley, and oranges in column 2. For all these commodities except corn transitional parity prices also apply in column 5.

³ Prices appear in these columns only for those commodities for which the transitional parity price is higher than the parity price according to the new formula. The transitional parity prices appear in columns 2 and 4. Prices in columns 3 and 5 are parity prices according to the new formulas disregarding the transitional feature.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REASON FOR FARM-PRICE SUPPORTS

Mr. LANHAM. Mr. Speaker, the national farm-price-support program which has brought prosperity and well-being to the farmers of our Nation has recently been under attack from various sources which do not believe in the program. For this reason, Mr. Speaker, I think it is high time for us to consider these attacks and repel them by a con-

cise statement of the real reason for, and justification of, the farm-price-support program.

In the first place, the farmer has no control over the price at which his products sell on the market. He must buy on a protected market. But until the price-support program came into effect he had no protection against prices that meant bankruptcy and suffering for himself and his family.

In the second place, the farmer is the greatest gambler in the world. And this must of necessity be so. For he spends his time and energy in preparing his land, and his money for seed and fertilizer which are then committed to the good earth with the eternal hope in his breast that the seasons will be kind, and

that his land will blossom and bear much fruit. But he has no control over the elements. Floods may destroy his crops and drought parch them beyond recovery. Even if the elements are kind and his crop is damaged neither by drought nor floods, nevertheless, a hoard of insects and any number of plant diseases are always hovering near, ready to steal from him the fruits of his labor.

In my opinion, the price-support program is absolutely necessary, not only for the protection of the farmer, but for the stability of our economy in all its phases.

In this connection, I am submitting a portion of a report submitted by the distinguished gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, to accompany H. R. 5345. The bill referred to, H. R. 5345, was known as the Agricultural Act of 1949 and called the Pace bill due to the fact that it was drawn by a subcommittee, headed by the gentleman from Georgia, the Honorable STEPHEN PACE, of the House Committee on Agriculture.

Among other things the report said: The big question that Congress must pass upon in deciding the issue—

Of price supports—

is whether it will try to insure favorable economical conditions throughout the Nation by maintaining agriculture on a sound and prosperous basis.

The farmers have come to realize the interdependence and community of interest between themselves and the wage earners in the towns and cities. They know that the reason they couldn't sell their commodities in 1932 was because there wasn't anybody in town with money to buy. They understand that the best assurance for prosperous conditions for themselves is steady, full employment at good wages for the workers in the towns and cities. They have supported and will continue to support the measures needed to maintain those conditions.

But they also understand that those working in manufacturing industries cannot receive good wages nor keep a job very long unless farmers have the money with which to buy after paying their production costs.

IMPORTANCE OF A SOUND PRICE-SUPPORT PROGRAM

The report goes on to say, and I quote: With full approval, agriculture is a vital part of our national economy. Every other element involved in the prosperity of the Nation is affected by what takes place on the farms of this country and in the market places where the products from these farms are sold. A sound agriculture is basic to our system of free enterprise and to our economic welfare. We are dependent on agriculture for our very existence. Its products feed the Nation and provide industry with necessary raw materials. Maintenance of a permanently healthy and productive agriculture is in the interests of all the people of this country. This is recognized as established national policy under which price supports have been authorized by the Congress as the main device for helping farmers achieve a reasonably stable income at a level fair both to farmers and nonfarmers. In the absence of a better means by which farmers can accomplish this objective, price supports must remain an integral part of our program for agriculture; otherwise our entire national economy will suffer.

The real function of farm commodity price supports is to maintain the income of farmers at a level below which it is not in their interest or in the interest of other economic groups to permit returns from agricultural production to fall. Time and again this country has seen what happens to our en-

tire economy when there is a collapse in farm income. Whenever the farmer receives a fair return from his labors, he is a good customer for our towns and cities. His readiness to buy means millions of jobs in business and industry throughout the Nation. But when his income drops, the farmer is forced to retrench and the effects of this are immediately reflected in a reduced flow of goods to the Nation's rural communities with resulting unemployment throughout our whole economy. Thus the elements of a depression are set into motion.

This country cannot afford any unnecessary risk of depression. With the national debt above \$250,000,000,000 the Nation has little choice but to maintain high employment and a high level of income. Otherwise, the burden of servicing that debt can become unbearable if not impossible.

Secretary of Agriculture Brannan stated to the committee during the hearings on this bill—and I quote:

Price supports are the farmers' equivalent of the laboringman's minimum wage, social security, and collective-bargaining arrangements.

As long as industry enjoys the protection of laws forcing the farmer to buy in a protected market, the farmers should be given the protection and security of price supports. Congress appropriates annually hundreds of millions of dollars to give over 2,000,000 Government employees the security and protection of retirement pensions. Moreover, Congress votes millions each session to subsidize our shipowners, our allies, our newspapers, our mail-order concerns, and others.

Can it be wrong to give some protection to the men and women who work in the sun, who labor on the farms, to produce the food to sustain the remainder of our population?

In his testimony before the Committee on Agriculture, Secretary Brannan presented clearly the requirements of a farm production and stabilization program. The Secretary said, and I quote:

(1) The program must effectively serve the farmer and his family. * * * (2) In serving the farmer the program must not discriminate unfairly against any group. * * * (3) The program must be efficiently operated and costs must be commensurate with the benefits to the Nation. (4) It must serve general policy objectives, including national security, the maintenance of high-level employment, and cooperation with other nations in the interest of peace and prosperity.

In other words, as the Secretary of Agriculture says, an effective farm program must serve the interest of all the people. It can do this as suggested by the Secretary of Agriculture in several ways:

First. It can help prevent a depression. Most depressions have been farmed and farm-fed. While declines in farm prices are not the sole cause of depressions, they certainly contribute greatly.

Second. A farm-production and price-adjustment program can help build markets for industrial goods and help maintain employment for labor. Industry today is dependent on the farm market to a greater degree than it has ever been.

Third. Stable farm prices and incomes encourage high-level production with

the great assurance of reasonable prices to consumers.

Fourth. A program that helps maintain farm income helps to maintain agricultural resources. City people, just as much as farm people, are concerned with the problem of conservation.

Fifth. An effective farm program is essential to our national security, will provide a reservoir of goods which protects the Nation against crop failure, and will assure supplies for an even flow of world trade.

Sixth. A price-support program which safeguards our rural economic strength can help stabilize a rural community and help maintain individual opportunity in our free-enterprise system.

H. R. 5345, THE PACE BILL, NOT BRANNAN PLAN

Congressman STEVE PACE, of the Third District of Georgia, and the man who has done more than any other, without exception, for the farmers of Georgia and the South, sponsored, and I voted for, a bill that would have continued your support price of cotton at near 100 percent of parity. It has been referred to by some as the Brannan-plan bill. This is not correct. Nobody knew what the Brannan plan would cost, nor what its effects would be. On the other hand, many of us, including the gentleman from Georgia, Congressman PACE, knew that for the Government to continue to support perishable farm products, such as potatoes, milk, and eggs, as at present, and for the Government to continue to allow potatoes to rot and dried eggs to spoil, would mean a black eye for the entire support program. We knew, too, that it would mean in the end the destruction of the entire price-support program. This would mean disaster to the farmers of Georgia.

Knowing these things, and having the best interest of the farmers at heart, the gentleman from Georgia [Mr. PACE], after months of study by his subcommittee of the whole problem, included in his bill power for the Secretary of Agriculture to try his suggested method of supporting prices on farm products that could not be stored, by letting the products sell on the market at a price that would be determined by the law of supply and demand, and then to make up the difference to farmers by a payment from the Treasury. This would have meant lower prices for the consumer, which would have stimulated demand, and would have kept the market in sound condition. It would also have allowed people who needed potatoes and eggs to use them instead of allowing them to rot. The idea of the gentleman from Georgia [Mr. PACE] and his committee was to try the plan to see whether or not it would work. If so, it could next year be extended to other perishable or nonstorage crops. If not, it could have been discontinued. In this way the gentleman from Georgia [Mr. PACE] and the majority of his committee members thought the price support program might be saved. It sounded like good sense to try the plan, and I therefore supported the gentleman from Georgia [Mr. PACE] and his bill.

PACE BILL PROVIDED 100-PERCENT SUPPORT FOR STAPLE CROPS

Remember, this had nothing to do with cotton, corn, wheat, and other crops that can be stored. The Pace bill did not propose subsidy payments for these crops, but would have been used only on the two crops, potatoes, eggs, and shorn wool. So you see the Pace bill would not have changed in any way the present support price of cotton, corn, or wheat. And was just a trial on the eggs and potatoes to see whether Mr. Brannan, the Secretary of Agriculture, had hit upon a solution to the puzzling problem of giving the farmer a fair price for his crops that cannot be stored because they spoil or rot quickly, without wasting these crops that people need, and which should not be destroyed. The Pace bill was defeated.

HOUSE PASSED 90-PERCENT PARITY BILL INSTEAD OF PACE BILL

The House then passed a bill known as the Gore bill to continue present price supports on staple crops, which would maintain the present support price of 29 cents on cotton and repeal the Aiken bill. In the Senate a compromise bill was passed allowing the Secretary of Agriculture to reduce the support price to 75 percent of parity. This is known as the Anderson bill and is the same thing as the Aiken bill except that "it wears a new pair of socks," as Vice President BARKLEY says. Remember, the original Aiken bill which would have gone into effect on January 1, 1950, unless we had repealed it would have reduced the price of cotton still lower.

At long last, the conference committee appointed to iron out the differences between the House bill to continue price support on staple farm products at 90 percent of parity and the Senate bill which would permit the lowering of support prices to as low as 75 percent of parity, has agreed upon a compromise. This compromise bill would continue present price support at 90 percent of parity for the next year, at 80 to 90 percent of parity for 1951 and from 75 to 90 percent for the next 2 years. Since this bill will continue 90 percent support prices for the year 1950, I voted for the conference report rather than let the Aiken bill go into effect on January 1, 1950. Besides, the bill finally agreed upon establishes a new formula for determining parity which is more favorable to the farmer since it includes the cost of farm labor. The House members of the conference committee, headed by our own Congressman STEPHEN PACE, of the Third Georgia District, are to be congratulated on winning such a victory for the farmers of the South.

Since I have been in Congress I have supported every bill for the benefit of the farmers, including ample appropriations for rural electrification, soil conservation, and price-support payments. This year the House passed, with my support and vote, a bill to encourage the building of rural telephone lines. The Senate has now passed this bill and sent it to the President. The housing bill also contains provisions for Government help for building farmhouses and

other buildings. I have insisted that since parity means only a fair price for the farmer, his staple crops should be supported at 100 percent of parity. Why should the farmer be asked to accept anything less than a fair price for his products? Why should anyone agree to less than 90 percent at the lowest for farm-price supports? I have refused to agree to any such compromise. The Pace bill for which I voted would have supported farm prices on staple farm crops at 100 percent of parity. This is another reason I voted for it.

TRUTH ABOUT AIKEN FARM BILL

The Aiken farm bill was passed in the dying hours of the Eightieth Congress, early Sunday morning just before the Republican Party held its national convention in Philadelphia in June 1948. Word had come down from the Republican big shots in Philadelphia that the bill must be passed before adjournment. The bill had passed the Senate, where it was introduced and sponsored by Senator AIKEN, of Vermont.

The House Committee on Agriculture had never studied the bill. Yet it was accepted by a Republican-controlled conference committee and submitted to the House for a vote after an all-night session. One Republican member, the gentleman from Wisconsin [Mr. MURRAY], was so incensed with his own party that he resigned from the conference committee rather than be a party to the passage of the bill. Before reporting it, the Democrats on the committee, led by our own gentleman from Georgia [Mr. PACEL], got the effective date of the bill postponed until January 1, 1950. Even with this provision, every Democrat in the House voted against the bill, and every Republican, with the exception of the gentleman from Wisconsin [Mr. MURRAY] and the gentleman from South Dakota [Mr. CASE], voted for the bill.

This bill would have been ruinous to the South if it had become a law, even if it had been amended to make support prices 75 to 90 percent of parity instead of 60 to 90 percent of parity. I say it would have been ruinous because it would have allowed the Secretary of Agriculture to support the staple crops—corn, cotton, tobacco, and wheat—at 75 percent of parity instead of 90 percent of parity as at present. This would have meant a support price for cotton of around 22 cents instead of 29 cents as at present.

CROP SUPPORTS MEAN CONTROL OF ACREAGE

During the war years the Government was able to support prices without any loss to the Treasury due to the abnormal demand for farm products. Now that demand is slackening and supplies have increased so that we have a big surplus of many crops, it is absolutely necessary that future production on the farm be controlled.

So the present Congress has passed a law providing for a limitation on acreage to be planted to cotton and other staple crops coming under the price-support program.

Such a bill is always unpopular, and because of the many differences in farming conditions throughout our country

occasionally works a hardship on some section of the country or some individual farmer. Yet the law is absolutely necessary if the farm-support-price program is to be continued.

It is my hope that the parties administering this crop-control law will administer it fairly. If injustices arise, I will appreciate your reporting to me any such, which I will be glad to have investigated and corrected if possible under the law.

LONG-RANGE FARM BILL STILL NEEDED

Mr. CASE of South Dakota. Mr. Speaker, of course I am voting for the adoption of the conference report, as anyone who knows anything about the situation knows it is the only legislation which can be had at this time—and something is needed.

At the same time, this must not blind us to the need for more than a program of price supports if we are to have a truly long-range farm program.

Storage and loans help but will not solve a succession of bumper crops in hybrid corn, rustless wheat, and weevil-free cotton.

Support prices are no long-range answer to high yields in perishable fruits, vegetables, and dairy products.

Any program which depends upon an unlimited flow of money from the Federal Treasury will fall of its own weight in time. Temporary help—yes; but a solution which carries the seeds of its own destruction.

If anything has been learned in 30 years of war and postwar farm legislation it is this:

First. A cushion is needed when war-spurred production adjusts itself to a peacetime economy.

Second. A permanent program must be self-financing.

Third. Farmers want and deserve a continuing program of soil conservation which they themselves plan and in which they have a real voice. This most independent group of people in any country is the very soil of free institutions.

Fourth. Farmers do not demand a United States parity price for what is sold abroad but they do rightfully expect a price for what is domestically consumed that is comparable to the protected price for what they have to buy. And they do expect the American market.

While we do what we can today, we must continue to study and strive to work out a truly long-range farm program. We must not put it off.

Mr. McDONOUGH. Mr. Speaker, since the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has suggested a popular title for this bill such as the Truman-Pace-Anderson-Cooley-Thomas bill should this not be briefed down to the Truman Agricultural Pact of 1949 for purpose of easy identification and source of authorship?

Mr. KEATING. Mr. Speaker, it is proposed by this compromise to postpone the shift over from a rigid to a flexible price-support program. Without the passage of this measure, this desirable change, so essential to our national well-being, would take place next January 1. If it is a good thing for 4 years from now, why not now?

While this measure is concededly a vast improvement over the original vote-buying scheme of the Secretary of Agriculture it still represents an effort to postpone sound economics at the expense of the public welfare. It means a continuation of extravagant Government purchase of certain favored commodities. It spells further huge Government surpluses, purchased at a high price and destroyed or given away. It discriminates against the growers of those farm products which do not command sufficient political support to accomplish their inclusion on the favored list. It guarantees that the consumer will have no relief within the indefinite future from present artificially inflated food and clothing costs. It continues all of the abuses which have characterized the rigid price support practices of the past with mounting indignation on the part of those who must foot the bill.

Finally, with the exception of a small but powerful group of large western and southern-land owners, it injures more than it helps the long range interest of the farmers of this country. It subjects them to a governmental control and regulation over their property and their lives through acreage controls, marketing quotas, and all the rest of the Government package of rules, regulations, forms, and restraints. It makes chattels of the State out of one of the most stable and stalwart segments of our citizenry. Under the guise of protecting agriculture, it hastens and fortifies the likelihood of violent adverse reaction to any sound, constructive agricultural program.

In summary, it harms everybody, the taxpayer, the consumer and the farmer. It is a craven and irresponsible effort to purchase votes with public funds. It should be defeated, thereby permitting the farm program already enacted to go into effect the first of next year. This provides a sensible varying floor of agricultural price supports directly related to the supply of each commodity. The greater the supply, the lower the support price. Only thereby can a curb be imposed on the understandable temptation of the cotton, wheat, and tobacco growers to produce huge surpluses for purchase out of the hard-earned pay envelopes of our people. Farmers should be encouraged to produce, it is true, but for the market, not for what they can get from the Government for their products.

Further procrastination in enacting a sound farm program, the pledge of both political parties, as opposed to a political booby trap, can only result in making chronic and progressively more dangerous the present disordered, expensive, and discriminatory practices. We should have the fortitude and foresight to call a halt now by rejection of this misnamed compromise.

Mr. HOEVEN. Mr. Speaker, the Truman-Anderson farm bill will soon become law. The conference report now before us is perhaps the best that could be obtained under the circumstances. For a while, it looked as if we would have no farm bill at this session. I am not in accord with all that has been done and especially regret that the conferees failed to set a definite support

price for hogs. It is true that the Secretary of Agriculture at his discretion can fix the support price on hogs from zero to 90 percent of parity, but I fear that the uncertainty of the situation will cause our hog producers much concern. A definite and fixed parity figure, even though flexible, would have been more desirable. Therefore, I want the hog producers of the country to know that the responsibility of fixing price supports on hogs now lies entirely and completely with the Secretary of Agriculture. If hog prices further decline after the first of the year when this program takes effect, it will be the sole responsibility and duty of the Secretary of Agriculture to see to it that the hog producers receive a proper and adequate support price. They most certainly will hold him accountable if prices start to toboggan.

It is ridiculous to think that our great \$5,000,000,000 hog-producing industry should be relegated to the background in this conference report. Almost every agricultural commodity seems to have been placed under the price support tent except hogs, cattle, poultry, and poultry products. Even peanuts and rice, which, after all, are comparatively minor crops, enjoy a guaranteed 90 percent of parity. Milk and milk products are supported at from 75 percent to 90 percent; and wool, mohair, potatoes, honey, and tung nuts are given special treatment at from 60 percent to 90 percent, but price supports on hogs and poultry and poultry products are left to the whim of the Secretary of Agriculture. There is absolutely no rhyme or reason for such unfair discrimination.

I want to serve notice right now that if the Secretary of Agriculture fails to properly support hogs under the terms of this bill it will be my purpose to introduce proper legislation in the next session of Congress to place hogs in the proper price support category so that the hog producers of the Nation may be relieved of the uncertainty which is bound to exist on and after this conference report is approved and enacted into law.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am opposed to this conference report. In my estimation its provision for a sliding scale of supports on farm commodities is an invitation to an agricultural depression. The farmer will not be able to operate on 75 percent of parity in 1952, as provided in this legislation, any more than he could do so today. Congress would show just as much logic if it passed a bill calling for a 25-percent reduction, over a 3-year period, in the wages of everyone working for hire in the Nation.

Under this measure we are asked to approve this afternoon, there is no mandatory support for hogs, the sale of which constituted at least one-seventh of the total income of the farmers of the country this past year.

There is no mandatory support for poultry or poultry products. The Secretary may, in his discretion, give up to 90-percent support for hogs, poultry, and eggs, but I will not agree to give any one man the power to make or break the fortunes of the hog and poultry producers throughout America. The products

raised in the South have been very well cared for in this report. It is amazing to note that tung nuts are protected yet one-fourth of our agricultural economy represented by hogs, poultry, and poultry products, is left to the discretion of the Secretary of Agriculture.

In the closing hours of the regular session of the Eightieth Congress in June 1948, at about 6 o'clock in the morning when a weary Congress finally adopted the Hope-Aiken conference report, in a speech on the floor of the House, I said:

I do not care to agree to any program which would guarantee less than 90 percent of parity on our basic commodities.

Mr. Speaker, I hold the same view today. We cannot afford to gamble with an untried and untested formula for supporting farm prices during a deflationary period such as we are now experiencing.

On January 27, 1948 just before the first real postwar break in farm prices which occurred in February 1948, I introduced a bill to extend the 90-percent price-support floors for a period of 2 years. I felt that a 2-year extension of the 90-percent supports would remove our vital agricultural policy from politics in the election year, which was then just commencing. The Congress refused to accept this 2-year extension but a 1-year extension was voted by the House through what is known as the Hope bill, the law under which we are operating today. Unfortunately, however, the Senate insisted on the adoption of the so-called Aiken bill, which would have become law on January 1, 1950 but for the fact that this past summer the House voted, almost unanimously, to repeal the Aiken act and to reenact the 90-percent price support floor. This was exactly in line with my proposal to the House which I introduced this past March. Mr. Speaker, I sincerely regret that politics and unwarranted interference from labor and consumer groups who are clamoring for cheap food have so colored the picture that it is impossible to secure justice for the many millions of farmers in this Nation through the adoption of a good permanent farm program. After hearing and reading the rosy promises of the leaders of the administration made to the farmers at election time, they must certainly be chagrined to have to admit that the best program this Democrat-controlled Congress can produce is this conference report we have before us today. I repeat, Mr. Speaker, I cannot, in good conscience, vote for this legislation.

Mr. DOLLIVER. Mr. Speaker, regretfully, the conference report on the agricultural bill does not include a mandatory direction for the support of hog prices. It is hard for me to understand why this very important agricultural commodity was omitted from the bill. However, it is provided that the Secretary of Agriculture may support hog prices at any percentage up to 90 percent. The farmers of Iowa and the entire swine producing community will look to the Secretary for fair treatment. The entire economy of great segments of agriculture depends upon hog prices. The responsibility is on the shoulders of Mr. Brannan, Secretary of Agriculture.

Mr. TALLE. Mr. Speaker, it seems most strange to me that the Agricultural Act of 1949 contains mandatory supports for tung nuts and goat's whiskers but not for hogs and poultry, and I predict that the American farmer will be chagrined at the manner in which the Truman administration fulfills its campaign pledges to agriculture.

Mr. LECOMPTE. Mr. Speaker, the conference report on the agriculture bill appears to be far from satisfactory in every detail to any member of the conference committee, but inasmuch as this is the best thing that is offered in the way of farm legislation there seems to be nothing to do but accept the bill. I regret that it does not offer support prices for hogs, cattle, and poultry, three of the great farm products produced in Iowa far beyond any other state in the Union. Perhaps eventually there will be more adequate recognition of the importance that Iowa agriculture contributes to the economy of the Nation.

Mr. MARTIN of Iowa. Mr. Speaker, I deeply appreciate having the opportunity to express my views briefly on the Agricultural Act of 1949 now under consideration.

Inasmuch as I represent the First Congressional District of Iowa which holds the highest place in the Nation in hog production I have been particularly concerned about the matter of reasonable and equitable support prices for hogs. A few weeks ago we were told that the present national administration planned a trial run on hogs under the so-called Brannan plan. Between that time and now the amazing development is that hogs are left completely out of the support-price program provided in the Agricultural Act of 1949 before us today. Hogs are not given any guaranteed support by the legislation before us today. The support price of hogs under this proposed legislation will be entirely within the discretion of the Secretary of Agriculture. He can support hogs anywhere from zero percent to 90 percent and he is not obligated to support them at any minimum percentage as is provided for many other farm commodities.

Hog production is one of the greatest single items in our agricultural economy. More than 50 percent of our commercial corn supply is fed to hogs alone. The total value of our hog production will run between four and five billion dollars per year at parity prices. One year ago the top on hogs was 26 cents. Today it is 18½ cents. That fluctuation covers identical periods of the year and is not seasonal. It is tremendous in scope as you can see the total value of our annual hog production in terms of today's price is \$1,000,000,000 less than it was 1 year ago. The prices of lard and of fats and oils remain in such a chaotic state today that I predict there is a danger of a further drop in the price of hogs below present support levels and hogs may need the protection provided in this legislation to other agricultural products before the Agricultural Act of 1949 has been law for very long.

Inasmuch as Secretary Brannan has the complete power to manipulate the support price of hogs from zero to 90

percent of parity I sincerely hope he does not manipulate hog prices to the end that hogs will be the guinea pig for the Brannan plan. The hog producers of my district are alert to this situation and we will all observe the treatment accorded hogs by the Secretary of Agriculture with special interest in the period immediately ahead. Our hog raisers have already absorbed a billion dollar decrease in their annual revenue from hogs within the past year. Our Nation cannot afford to abandon the hog raisers when the hog price storm warnings ahead are so foreboding. I vigorously support the proposed Agricultural Act of 1949 now under consideration but I look forward to the opportunity to build this legislation more equitably for the hog raisers.

Mr. JENSEN. Mr. Speaker, I am sure I express the sentiment of every Iowa Member of Congress and a great majority of Iowa people when I say we are not the least bit pleased with the fact that the conference committee has seen fit to take from us the supports under the price of hogs and poultry. Why did you do it? I ask in all sincerity, was it because you found it necessary to use hogs and poultry as trading stock so certain members of the conference could get what they wanted for their people? Well let me tell you gentlemen Iowa will not long stand for this kind of a sell-out.

Mr. HAGEN. Mr. Speaker, I cannot fully agree to this compromise on the agricultural support-price legislation.

I definitely believe that the majority of the conference committee made a big mistake in leaving out a support-price program for poultry, eggs, and hogs. These farm products represent about one-fifth of the Nation's farm income.

Without support prices on these important farm products, we cannot say that this Congress approved an adequate farm program.

We should correct this injustice at once and not wait until some later date.

Mr. FORD. Mr. Speaker, during the discussion on this vitally important conference report to accompany H. R. 5345, I think it most apropos to insert in the RECORD as a part of my comments pertinent excerpts from letters of the two gentlemen from the fifth district who attended the Republican Farm Conference at Sioux City, Iowa, in September. I believe the ideas expressed by Mr. Kitson and Mr. Rymer deserve attention.

First, the letter from Gerald Kitson, of Rockford, Mich., to me, dated October 1, 1949:

DEAR GERALD: On looking back at the National Farm Conference, I feel that it was very successful and was very well arranged and well handled. I was much impressed by the sincerity of the chairman, Mr. Axel Beck. Representative HOPE and Senators BUTLER, MUNDT, AIKEN, and YOUNG, contributed a lot and I believe are very capable.

We had a very full schedule, but everyone who wished to talk was given the opportunity, including myself. I presume you can get a complete record if you wish.

The testimony ranged from those who favored the Brannan plan to those who wanted no farm program at all and from those who wanted no price supports to those who wanted guaranteed 100 percent of parity supports. A very large majority was out-

right in opposition to the Brannan plan. The weight of the testimony seemed to favor a pretty high support price level.

The feeling is growing on me that we placed far too much emphasis on the negative phases of the farm program—price supports, quotas, allotments, restrictions, and so forth. If we are going to develop a winning program I believe we will have to put most of the emphasis on the positive ideas brought out at the conference—increased research on marketing, chemurgic uses of farm crops, exports, more livestock units per capita, a stamp plan to make surpluses quickly available to low-income families, and a real effort to keep everyone constantly informed on production probabilities and market conditions.

I believe support prices should be used only to keep prices from going disastrously low and perhaps high supports on certain items could be used to stimulate production of shortage crops and to cause a switch from surplus crops.

As far as I know price ceilings were not mentioned. In all fairness to other groups (after all, farmers are only 16 percent of the population) it seems to me that we should have ceilings corresponding to the floors.

Let's oppose any plan which calls for quotas, restrictions, or production controls of any kind.

A long-range program with emphasis on those plans which will increase consumption, stimulate more intelligent production and marketing, create a larger market, feed our people better, with the use of low supports and high ceilings to gradually bring the law of supply and demand into action and halt extreme price fluctuations, should be popular with all groups. Such a program need not be too costly. In fact, I believe we could eliminate a considerable number of the bureaus, etc., now in operation. Such a plan is in keeping with our American tradition.

Are the Republicans courageous enough to tackle such a program with the real vigor and dramatic approach which will be necessary for success? A lot of bricks would be thrown. Most of the farm organizations would be opposed to it. However, I believe that if our Republican Congressmen and Senators were to really get behind it and face the issues most of the criticism would disappear and we would win back a good share of the independent vote as well as a lot of the younger vote which went Democratic in the rural areas at the last election.

Frankly, my views have crystallized considerably since the conference and I would like to testify again if the Agriculture Committee holds hearings in Washington this fall or winter.

Thanks for the opportunity of going to the conference.

Sincerely,

GERALD KITSON.

And, second, I quote the letter from Mr. Sam Rymer, of Spring Lake, Mich., dated September 26, 1949:

DEAR JERRY: The trip to Sioux City was in my mind a very successful one, and we should come out with a farm plan or program which will be approved by the farmers in general.

The Brannan plan is a dead goose, only a few Farmers' Union boys are in favor of it. Nebraska Farm Union is opposed to it and while the National Farm Union favors it, many of their members oppose it and are not willing to trade their freedom for a plan of 100 percent of parity. Most farmers approve the 60 to 90 percent of parity or the new Anderson plan of from 75 to 90 percent of parity.

The conference was a great success, there were many farmers from all over the Nation, they participated freely, over 100 of

us testified before the agricultural committee as to the kind of a program we wanted, and while Truman held the news of Russia's atom bomb until the day the conference opened, it didn't affect things too much. There was still much interest and we had 19 news hounds there representing different newspapers.

I am mailing some newspapers from Sioux City and more will follow. They will give you a good line on what went on, and was accomplished.

Yours truly,

SAM RYMER.

Frankly, I admire these farmers who see the farm problem from an unselfish point of view. Furthermore, and this is most commendable, neither Mr. Rymer nor Mr. Kitson seem to favor any farm plan that will destroy our great American freedom.

During this session the Members of the House have been faced with a number of alternatives in dealing with agricultural legislation. The Brannan plan has been the bugaboo. Few Members of the House favor the basic philosophy in the Brannan plan. I certainly cannot accept in toto such a program. I have a dislike for a completely inflexible price support program. The Anderson bill, which seemed to incorporate the good features of the Aiken Act, seemed like the best compromise for both farmers and consumers. The bill submitted by the conference report to a great degree is a heterogeneous compromise which satisfies few as the proper solution. According to Representative AUGUST H. ANDRESEN to a large degree the workability of the bill presented by the conferees will depend on the administration of it by the Secretary of Agriculture, Mr. Charles Brannan. He has professed great concern for the farmers and consumers of the United States. We can only wait and see whether or not he administers the new farm law fairly and equitably. If not administered properly the Congress must take further corrective action.

Mr. GROSS. Mr. Speaker, reluctantly I will support the conference committee version of the Agricultural Act of 1949 because there is no alternative.

But I say to Members of the House that it is high time Congress stopped this piece-meal, patchwork method of enacting what purports to be farm legislation. This changing, every 6 to 12 months, of the rules under which the economic fortunes of the farmers are ordered is senseless and simply compounds the confusion and insecurity that already exists.

What other industry or business could expect to live and prosper under such procedure? Can it be that in all of this there is a deliberate design to destroy the individualism and independence of the farmer, the producers of the Nation's new wealth and the backbone of this or any other democratic government?

It is time to take the problems of the farmer off the political football field and provide him with a basic price formula that is readily understandable and de-

signed to remain in effect for more than a single 12-month period.

It is time to stop dealing in terms of 60, 75, or 90 percent of so-called parity and establish farm commodity prices on the true formula of cost of production plus a reasonable profit. On no other basis will the farmer have any real sense of security or a ready understanding of the program that has been designed for his benefit.

It is not possible here to discuss fully the conference report, but I am absolutely unable to understand why no floor was established under hog prices, leaving this determination solely to the Secretary of Agriculture. I denounce with all the vigor at my command this throwing of the Iowa hog raiser completely upon the mercy of any Secretary of Agriculture, and I insist that this situation be rectified at the earliest possible moment when the next Congress convenes. In the meantime, it is incumbent upon the present Secretary of Agriculture to take immediate steps to halt break in hog prices that can be expected to result from the passage of this legislation.

Furthermore, I am at loss to understand why a provision was stricken from this bill while in conference that would have prohibited importation of foreign agricultural products when surpluses of those supplies already existed in this country. As this measure now stands, there is nothing to prevent foreign imports from piling surplus upon surplus to break the back of the American farmer.

It is not an adequate answer to say that retention of this proviso might jeopardize some of the stupid reciprocal trade treaties that have already been negotiated.

Is our memory so short that we cannot remember the importation of millions of pounds of fats and oils into this country last year and the devastating effects these imports had upon the domestic lard and edible-oil markets as well as the price of hogs on the hoof?

To those Members of the House, particularly those who represent the centers of population in the eastern seaboard area, who never miss an opportunity to scream about high food costs when farm legislation is being considered, let me say that you would do well to sweep off your own doorsteps before trying to dust off the farmers.

Only a few weeks ago Iowa farmers were being compelled to sell their eggs for about 45 cents a dozen, but at the very same time those eggs were selling in New York City for \$1 a dozen. Is anyone stupid enough to believe that it costs any substantial part of that tremendous differential to transport eggs by the truck or carload from Iowa to New York City? And it should be kept in mind that the support price for eggs is only 35 cents a dozen so that no part of the high cost of eggs to consumers can be blamed on support-price legislation.

It may well be asked why the city or State governments of the eastern-seaboard area have never taken action to wipe out this unconscionable spread between the prices received by producers and prices paid by consumers. Is it be-

cause there exists in those cities and States a combine so powerful politically that it can go on indefinitely bleeding extortionate profits from consumers?

Instead of these municipal and State governments ascertaining who is victimizing who and why, then using legal procedures that are readily available, their representatives come to Washington venting their ire upon farmers who never have had a full voice in determining a fair return for their services and their toil.

The measure we have before us here today is not good permanent-farm legislation. I say again that it is with the greatest reluctance that I am compelled, under the circumstances of the imminence of adjournment, to support it.

Mr. GORE. Mr. Speaker, the need to protect the farmer and the Nation from a recurrence of the calamity of two decades ago is acknowledged by all thoughtful people. The controversy has raged about how and to what extent it should be done.

Farming is so highly individualistic that the mass production techniques, the easy production and supply controls, now common in corporate industry, are inapplicable to agriculture with its millions of entirely separate and independent farms. We have found no way by which farmers can sufficiently cooperate one with another to effectively limit unwieldy and uneconomic surpluses, or by which an adequate plan of price and supply stabilization can be financed except through governmental agencies and programs.

That is why a governmental farm program is necessary. These are the underlying reasons why we are about to enact this farm program.

There have been honest and vigorous differences of views. Each of us has in our own way, as we have seen the way, made our contribution. I daresay none of us are wholly satisfied with the result. What we have arrived at is, as usual, a compromise.

The bill preserves intact, for at least 1 year, most of the provisions of the present farm program, which my bill, as approved by the House, would have extended. The wisdom of these provisions has proven sound in maintaining farm income and thereby a high level of national income.

Some provisions may prove unworkable. If this develops, these can be corrected next year without causing a collapse of our farm economy.

I wish to pay high compliment to my colleagues who represented the House in conference with the Senate. They did a fine job under difficult and pressing circumstances.

The treatment accorded basic commodities in this bill is, in my opinion, fairly satisfactory. More is to be desired, however, than has been done for non-basic commodities. I am particularly disappointed that no mandatory supports are provided for any meat product. Much can be accomplished, though, by a wise and sympathetic administration of the program by the Secretary of Agriculture. Much discretion, more than I would have chosen, is vested in him. I

have every confidence that the Secretary and the Department will undertake to do the best job possible under all the circumstances.

This bill continues the fundamentals of a farm program that has evolved from 16 years of progressive governmental leadership and farmer cooperation. We have found certain modifications necessary. Others will surely appear. But the essentials remain and are still unexcelled though by no means perfect.

This bill will contribute mightily toward maintenance of a stable, prosperous, national economy. Moreover, it will assure an abundance of food at reasonable farmer prices.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I wish to congratulate the chairman and the House conferees for the splendid job they did in salvaging most of the House bill. I am not entirely satisfied with this bill. I am opposed to the sliding scale of 75 to 90 percent parity which, under the bill, will go into effect in 1951. I feel, however, that when we come back here in 1950, we will all get together and pass permanent farm legislation—cost of production.

Today I shall talk to the farmers—to those who till the soil and feed the Nation. I shall also talk to the farmers' friends—the laborer, the professional and the small-business man. There is not a professional or businessman or laborer whose success and welfare does not depend upon the success and prosperity of agriculture—whose welfare is not linked and intermingled with that of the farmer.

I am not interested in the human drones that wish to have the farmer feed them for less than it costs. These do not realize that the farmer can no more continue his farming operations for less than cost than a businessman can continue his business for less than cost—at a loss. In order to have successful businessmen we must have successful farmers.

We must never forget that the farmers produce the food that produces the energy for the industrial workers. Without food there could be no industries. The men and women that work in the factories live on that which the farmer produces. The time has come when the laborer and the business and professional man and woman familiarize themselves with the problems that the farmer has to meet in order to feed them.

Eighty percent of all the new wealth created each year comes directly or indirectly from the soil. It is produced by the farmer and the laborer. It comes from the fields, the mines, and the forest. Nearly every building in every village, city, and town has been or will be built and largely paid for with the wealth produced by the farmer and the laborer from and out of the soil.

The farm situation must not be judged as of yesterday, but as of today and tomorrow. Economic agricultural readjustment of our Nation is yet to come. There are many crises—many pitfalls ahead. The false prosperity—the fool's

gold—the 30-cent dollar that the farmer has been receiving has not kept pace with the increased cost of production, the increased cost of farm implements, buildings, labor, and repairs. We must remember that the farmer's dollar has only 30 cents' purchasing power, the same as ours.

I am not interested in the betrayers of agriculture. I am not interested in those who give lip service to the farmer and then sell him down the river. This, whether through ignorance, a money consideration, or political aggrandizement. I am not interested in the Daily Worker or any of its agricultural coherents. I am interested in the farmer who produces the food this Nation consumes—the farmer whose battles I have fought ever since I entered public life. We have not accomplished all that we had hoped, but we have made a good start.

Just prior to the election last November, Secretary of Agriculture Brannan, at Albert Lea, Minn., told the farmers of the Nation over the radio that if Dewey were elected agricultural prices would tumble. Dewey was not elected, but agricultural prices have tumbled. The truth was that at that very moment agricultural prices were tumbling, and the Secretary was largely responsible for their tumbling. In fact, he was just making an excuse. He added insult to injury. He assumed that the farmer was so gullible as not to know what was going on.

The Secretary and his administration were responsible for the reciprocal trade agreements. Unfortunately for agriculture, some farm leaders—not the farmers—were foolish enough to swallow this betrayal. Then last fall, under these agreements, Canadian potatoes were shipped into this country and sold below the \$2 per hundred pounds support price. As a result the American potatoes accumulated while our people were eating the cheaper Canadian potatoes.

Then, even before the ballots were counted, Secretary Brannan lowered the support price, but not low enough to prevent Canadian potatoes from entering under these agreements. As a result the Government, under the support price, bought the high-grade American potatoes and later in the year dumped and destroyed millions of bushels, while the consumer had to pay high prices and be satisfied with the poorer grades.

Now that the war-torn nations are recovering, the result of these reciprocal trade agreements will come back with a vengeance. Foreign agricultural products, produced by slave and underpaid labor, are already entering the American market. The growers of pecans and walnuts are bitterly complaining. They cannot compete in producing these products in competition with the slave and underpaid labor of other countries.

South American meat products are already flooding our markets. Soon there will again be hundreds and thousands of cattle, hogs, and sheep from Canada, Australia, and Latin America. As a result, agricultural prices were not

only tumbling while the Secretary made his speech at Albert Lea, but they have continued to tumble, and he has offered no intelligent solution.

Under our insane foreign policy these foreign products will be poured into our domestic market in an ever-increasing quantity. This because our Government has provided at the farmer's and taxpayer's expense, improved implements for agricultural production throughout the world. Implements that rightfully belong to the American farmer were and are being sent to the four corners of the earth.

Unfortunately for the American farmer there are too many Wall Streeters in the executive departments of our Government. They are more interested in foreigners than in Americans. They are surrendering our domestic markets to foreign nations—markets that belong to our farmer, laborer, and small industrialist. Former Under Secretary of State Bill Clayton stated boldly that our ranchers should surrender the sheep and wool industry to Australia and other British possessions.

Now Secretary Brannan attempts to make the farmer the shock absorber of this disastrous foreign policy. He attempts to flimflam the farmers and the consumer by telling them that he has a plan by which he could reduce the cost of living by regimenting and subsidizing the farmer. Nothing could be further from the truth. Under this plan, the farmer is to sell his products in the open market in competition with the world and, according to the Secretary, in that way reduce the cost of living.

Then to lull the farmer asleep, the Secretary tells him that he will pay the difference between the world market and the Brannan 100-percent parity. This parity is 9 cents less per bushel of wheat than 90 percent, and 29 cents less than 100 percent, parity under the present law.

When the Secretary sprung this deceptive program on the public, every farm organization but one, and many of the locals of that organization and individual members, rejected it. These farm leaders, local organizations and individual members sent telegrams and letters to their representatives in Congress repudiating the Brannan plan. They insisted upon the repeal of the Hope-Aiken law and demanded 100 percent parity under the present law.

When the Secretary appeared before the House Committee on Agriculture, it also repudiated him. It threw his faked scheme into the wastebasket and started to draft a bill of its own.

The concealed purpose of the Brannan program is to compel the farmer to sell his products on the world market in competition with peon, coolie, and slave labor—to surrender his domestic markets to foreign nations. That is why our Government insisted on the devaluation of the British pound. The British producer can now pay the British farmer and laborer in the depreciated pound and then undersell the depreciated American dollar. The full effect of this un-American policy will be felt when our domestic

market will again be flooded with foreign products.

I know the Secretary says he will pay the farmer the difference between the world market and his 100 percent parity. The farmer is not fooled. He knows that in order to do this, the Secretary will have to get the money by appropriations. It will have to be raised by taxation. The farmers as a group pay a large part of the taxes. I have yet to find a farmer, who understands it, who is for that part of the Brannan program. If carried to its logical conclusion that program would require an appropriation each year for agriculture of \$18,000,000,000. This amount is so staggering that anyone with common horse sense knows that Congress would never appropriate it.

Neither can Brannan fool the consumer at the expense of the farmer. He too is a taxpayer. Both the farmer and the consumer know that for every dollar they receive in subsidies or lower cost of living via taxation, they will have to pay \$2. The extra dollar will be for the collectors and distributors of the tax and for interest and overhead expenses.

The farmer knows that because of our large indebtedness, appropriations will be hard to get even though they come out of his and the consumers' tax dollar. He knows that the farm population has decreased from 30,000,000 in 1930 to 24,000,000 in 1948, while the general population has increased 20,000,000. He knows that as a result his strength in Congress has been reduced from one-third to one-seventh. He knows that he must get permanent legislation—100 percent real parity or better still, 100 percent cost of production.

During the 14 years that I have been a Member of Congress, the farmer has been made the political football. During those 14 years, about all that he got from either party was lip service, and occasionally subsistence help.

No permanent farm legislation has been passed. We gave him so-called parity. We started in with 65 percent, then 75 percent, then 85 percent and finally 90 percent parity-support prices. There never was any reason why we should not have given agriculture a fair break—100 percent real parity—100 percent justice—better still, cost of production. This as a floor, not as a ceiling.

It is for this reason that I again introduced the cost-of-production bill H. R. 1686. This bill is the combined work of many Members of Congress and farm leaders. It was first introduced in 1933. Since then it has been improved and reintroduced in every session of Congress. This is the final and streamlined twentieth revision. While Congress has just extended, with some modifications, the present Support Price Act, the final solution of the agricultural problem must be cost of production. We will eventually get it, why not now?

If that kind of a bill had been passed, then the farmer would be getting about \$2.70 for a bushel of wheat today, and comparable prices for his other products. That would allow him and his family the average wage that those working in industry get for the time they labor—about

57 cents an hour. Surely no honest person can object to the farmer getting paid for his labor the same as his brothers and sisters working in industry are paid.

The farmer is not responsible for the high cost of living. Let us stop camouflaging. The high taxes, as a result of our international flirtations, are alone responsible for at least 125 percent increase in the cost of living.

If we continue to squander the Nation's wealth abroad, these taxes will continue. Your Uncle Sam, with future commitments, now owes \$623,000,000,000; twice the normal value of all our property. He has a blanket mortgage—a tax lien—for this amount on every man, woman, and child.

I repeat, the farmer is entitled to cost of production; to 100 percent parity. Only a parasite will attempt to get what the farmer produces for less than it cost. The farmer in the future will not be the farmer of yesteryear. He is not going to submit to again being made the shock absorber. He is going to demand equality with industry.

In place of giving the farmer cost of production for that part of his products domestically consumed, we have now wrangled and fooled with the brain-trust ideas of the Department of Agriculture from Wallace on down to Brannan. Now we have before us the Brannan baby. No one knows who is its mother or its father. From the debate it seems to be the illegitimate offspring of many brain trusters and brain busters.

In conclusion, from the days of Wallace to the days of Brannan, the Secretaries of Agriculture seem to have been wallowing in mud. They have been lost in the dismal swamps. If they ever hit upon the right thing, it will not be by the law of average, but by the law of accident, and I even doubt that they will ever hit it right by accident.

(Mr. LEMKE asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Kansas [Mr. HOPE].

Mr. CANFIELD. Mr. Speaker, will the gentleman yield for a parliamentary inquiry bearing on the time remaining?

Mr. HOPE. I yield for that purpose.

Mr. CANFIELD. How much time remains, Mr. Speaker?

The SPEAKER. Fourteen minutes, when the gentleman from Kansas has consumed 10 minutes.

Mr. FULTON. A further parliamentary inquiry, Mr. Speaker.

Mr. HOPE. I will yield for this particular inquiry, but no more.

Mr. FULTON. How much of the 14 minutes then is reserved for the opposition to this conference report?

The SPEAKER. That is entirely in the hands of the gentleman from North Carolina.

Mr. FULTON. May I ask the gentleman that question?

Mr. COOLEY. The answer is that no time is reserved for the opposition. I am trying to divide the time among the conferees on both sides of the aisle. I expect to yield to the gentleman from Minnesota [Mr. ANDRESEN], to be fol-

lowed by the gentleman from Wisconsin [Mr. MURRAY], and then we will see how much time is left.

Mr. HOPE. Mr. Speaker, if I have time to yield after I have completed my statement, I will be very happy to do so, but I do not desire to yield until then.

Mr. Speaker, from what has been said in the course of this debate I am sure there is a misapprehension on the part of some of the Members representing city districts as to the effect which this bill will have upon their constituents. And, I can understand why there should be that apprehension, if they read the Washington Post this morning, because it carries a big headline half across the top of the page saying, "Price supports highest ever." Then the article begins as follows:

Senate and House conferees on a farm bill yesterday unanimously agreed on a new measure to give the Nation's farmers the highest schedule of price supports ever granted even in wartime.

Let me say in the very beginning of my remarks that there absolutely is not a word of truth in that statement or the headline and I hope that if the Washington Post proceeds now to carry its customary editorial attacking the farmers of this Nation it will not base that editorial upon the entirely false and misleading statements contained in its news columns this morning. I hope also if that editorial is written it will call attention to the fact that this Congress has practically doubled the minimum wage rates in this country, that the salaries of every one of the thousands of Government workers in Washington have been increased not only this year but last year and in other recent years, that we have passed bills providing for extensive public housing subsidies and that the House has passed legislation greatly increasing social-security benefits. I hope also that it will comment upon those things in exactly the same vein it comments upon the farm price support bill which we are passing today and that it will correct the error in its news columns and point out correctly that this bill reduces price supports lower than they have been any time since before the war.

In support of that statement and in refutation of the inaccurate and misleading article contained in this morning's Washington Post, I desire to call attention to just what this country had in the way of price supports, first, during the war; second, during the year 1949; and, third, the rates contained in this bill.

During the war period prices were supported on more than a hundred agricultural commodities. On the six basic commodities prices were fixed by law at 90 percent of parity with the exception of cotton on which the supports were 92½ percent of parity. On the group of commodities known as the Steagall commodities price supports were mandatory at not less than 90 percent of parity and in some cases they were fixed at over 100 percent. Under the law these mandatory price supports were in effect until December 31, 1948.

Among the Steagall commodities which were required by law to be supported at

not less than 90 percent of parity were hogs, eggs, chickens, turkeys, milk and butterfat, dry peas of certain varieties, edible beans of certain varieties, soy beans for oil, flaxseed for oil, peanuts for oil, Anglo-Egyptian cotton, potatoes, and sweetpotatoes. Thus, during the war period five of the basic commodities were required to be supported at 90 percent of parity. One, cotton, was required to be supported at 92½ percent and 13 Steagall commodities which I have enumerated were required to be supported at not less than 90 percent of parity and many of them were supported at a considerably higher rate. In addition, as already stated, the Commodity Credit Corporation under its general powers supported the price of something like a hundred additional commodities including wool. Price supports on this large number of commodities, however, were not required by any specific legislation passed by Congress.

Under the 1949 act now in effect supports at 90 percent of parity were required upon the six basic commodities of wheat, corn, cotton, rice, tobacco, and peanuts, and upon milk and its products, hogs, chickens, and eggs. Wool was required to be supported at the level at which it was supported during the war. In addition price supports at from 60 percent to 90 percent of parity were made mandatory upon turkeys, dry peas of certain varieties, edible beans of certain varieties, soy beans for oil, flaxseed for oil, peanuts for oil, Anglo-Egyptian cotton, potatoes, and sweetpotatoes.

The act in effect in 1949 further declared it to be the policy of the Congress that the lending and purchasing operations of the Department of Agriculture should be carried out during the year 1949 in such a way as to bring the price and income of the producers of agricultural commodities, other than those which I have just enumerated, to a fair parity relationship with the enumerated commodities to the extent that funds were available.

Now what does this bill do in the way of price supports as compared with those which were in effect during the war and during the year 1949? First, it provides that for the year 1950 price supports shall be maintained on the basic commodities at not less than 90 percent of parity; that they shall be maintained on milk and butterfat at from 75 to 90 percent of parity; and upon wool, tung nuts, honey, and potatoes at from 60 to 90 percent of parity. Thus the number of commodities upon which price supports were to be supported at 90 percent of parity was reduced to six; one commodity, milk and butterfat, was to be supported at from 75 to 90 percent; and wool, tung nuts, honey, and potatoes at from 60 to 90 percent of parity. Thus the 10 commodities supported at 90 percent of parity in 1949 will be reduced to 6 in 1950; one which was formerly supported at 100 percent—milk and butterfat—will be supported at from 75 to 90 percent; and 4 commodities instead of 9 will be supported at from 60 to 90 percent. It should be noted also that this group of four includes two very minor commodities, tung nuts and

honey. Mandatory supports are provided on no other commodities, but as was the case during the war and during 1949 the Secretary of Agriculture and the Commodity Credit Corporation have authority to support other commodities at a rate of from zero to 90 percent of parity. As to succeeding years it is provided that the six basic commodities shall be supported in 1951 at from 80 to 90 percent and thereafter at from 75 to 90 percent; and that milk and butterfat shall be supported at from 75 to 90 percent and the four other commodities mentioned above at from 60 to 90 percent.

In the case of the six basic commodities the bill provides that for the next 4 years the support price shall be based on whichever is higher, the old parity formula or the new formula contained in this bill. This means that at present and probably for the entire 4 years wheat, cotton, peanuts, and corn will be supported on the basis of the formula now in effect, and tobacco and rice on the new formula set up in this bill since that formula gives these two commodities a slightly higher parity price. However, in the case of rice the price has been considerably above parity and it is doubtful whether price supports will be needed, at least during the coming year.

The provision as to using either party formula applies only to the basic commodities and does not in any way affect the other commodities upon which price supports are mandatory or those on which price supports are permissive. The parity price of some of those commodities is increased under the formula in this bill while the price of others is decreased.

It will thus be seen that a comparison of the levels of price support which were in effect during the war, during 1949, and under the provisions of the bill shows definitely that price supports in general were higher and that mandatory price supports existed on a far larger number of commodities during both periods than under this bill. Yet if readers of the Washington Post believe what they see in the headlines and in the news columns of that paper, they are undoubtedly complaining today that Congress has passed legislation to give the country the highest price supports it has ever had, even in wartime. A great newspaper like the Post is certainly doing its readers a disservice when it misleads them with accounts of legislation which is of importance to every one of its readers.

In view of the fact that a number of Members have indicated that they desire me to yield for questions I will do so in the brief time I have remaining.

I believe the gentleman from Minnesota [Mr. H. CARL ANDERSEN] was on his feet a moment ago.

Mr. H. CARL ANDERSEN. I would like to ask the gentleman the meaning of the three words in the first paragraph of the report "and other operations."

Mr. HOPE. I presume the gentleman there has in mind that they mean payments; is that true?

Mr. H. CARL ANDERSEN. I mean just that.

Mr. HOPE. May I say to the gentleman it does not mean payments. The

term has been in all the legislation which goes back as far as the Triple A Act of 1938. It has been construed time and time again by the Secretary of Agriculture and the Solicitor General as not meaning payments.

I now yield to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. I would just like to say that the people of my district feel just as the people from the district of the gentleman from New York [Mr. COUDERT]. They are against the 90-percent-fixed-parity-price legislation. May I point this out to the gentleman: Much has been made of the increase in the minimum wage. It is a fact that a factory worker's income has doubled in the cities since before the war, but it is a fact, too, that the aggregate farm income has about quadrupled in the same period.

Mr. CASE of South Dakota. No; that is not a fact.

Mr. JAVITS. Farm income, it is my recollection, has gone up from \$9,000,000,000 per year before the war to over \$30,000,000,000 per year currently, so you cannot blame city Representatives from raising these questions, while the wages of factory workers have about doubled in the same period. City people want a good economic basis for farm people and will support reasonable farm programs. They do not, however, want the relationship to get entirely out of hand between city income and farm-product prices.

Mr. HOPE. May I reply to the gentleman by saying that the income of the average person living on a farm in this country, earning his livelihood by farming, is less than half of the nonfarm per capita income. To be exact the respective figures were \$712 and \$1,617. So the gentleman from New York is representing a constituency which, if it is an average constituency, is receiving more than double the average income of the farmers of this country.

Mr. JAVITS. Will the gentleman just yield for one further point?

The gentleman does not dispute the over-all figure that farm income has quadrupled from 1939?

Mr. HOPE. And the average income of the farmer is still only about two-fifths of the average income of the non-farmer. Furthermore, as compared with prewar, food prices have not advanced as fast as consumer income. In other words the same percentage of income will buy more food today than before the war. Wage rates and pension benefits are still going up but food prices are coming down. Farm prices have declined far more than any other prices.

I would like to yield to the gentleman from New York [Mr. KEATING].

The SPEAKER. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, the gentleman from New York [Mr. COUDERT], was not talking through his hat when he discussed the concern of the teeming millions in the metropolitan area of New York and New Jersey in which I am also privileged to live.

Let me quote briefly from an editorial in today's New York Times:

In only one sense can this measure be described as a compromise. It is a compromise in the sense that the consumer, the taxpayer, and in the end the farmer himself, all stand to share alike. They stand to share alike because they all stand to lose, and to lose heavily.

I trust that the President of the United States, if the Congress approves this measure, will, acting for all the people of the United States, proceed to veto it.

The SPEAKER pro tempore. The time of the gentleman from New Jersey [Mr. CANFIELD], has expired.

[Mr. AUGUST H. ANDRESEN addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Speaker, there is not much possibility of getting any partisan politics into this issue here today. It has always been disappointing to me that the issue has been made a political football ever since President Truman issued Executive Order No. 2714 that put a termination date on the Steagall bill.

Mr. JENSEN. Is it sectional politics? You left Iowa out entirely.

Mr. MURRAY of Wisconsin. I realize hogs and eggs are out but every effort was made by our colleague the gentleman from Minnesota and by me to have them given a semibasic status. There are a couple of angles in connection with American agriculture which I wish to bring up at this time; one of them is the irritating fact that some people who are here criticizing this bill are the same ones who are always here trying to scatter billions of dollars to all other parts of the world, every place they can find a crack to stuff it in. Let us not be childish for a few minutes.

I wish to ask anyone who has taken the time to study this subject rather than listen to and read a great deal of stuff that goes over the radio and is written in the papers by people who have not any background but who just want to listen to the music of their own voices—to spend a little time trying to find out what is going on. Let us look back a few years; let us go back to 1932, a year that our Democratic friends like to talk about. At that time we had a national parity average of 55 percent. I do not know of anybody on either side of the aisle who wants to go back to that level, certainly none of those who have lived long enough to go through that period. As far as that is concerned, let us go back no further than 1939 which was the seventh year of the more abundant life. You will find that we had a national parity average at that time of only 90 percent. Some crops were down to 50 to 60 percent parity at that time, too. During the last 6 years surely we have had 115 to 120 percent of parity average all over the United States.

Sometimes during these years one group or one section gets an advantage over another.

The consumers of this country do not realize that if prices are high, if the consumer is paying a high price, he is not doing it because prices are 90 percent of parity. He is paying them because it has been a third more than 90 percent of parity. There is no fair-minded man, with all due respect to Dr. Nourse and everyone else, who can complain about the farmers of this country getting a support price of 75 to 90 percent. It is substandard at that.

The farmers are entitled to at least 90 percent, and I will tell you why. You go down to the Bureau of Agricultural Economics and you will find a 19-year study down there that will show you that the labor returns at 90 percent of parity are between 50 cents and 60 cents per hour outside of the winter wheat belt. It will be higher there. If you believe in giving a minimum wage straight across the board, if you think the farmers of this country are entitled to 50 cents or 60 cents an hour, you will not offer any complaint against this conference report, you will be for it, because you will then have the idea of fair play, you will indicate that you do want the rural people of the United States to have 50 cents or 60 cents an hour.

It irritates me to find people who get exercised, who get their blood pressure so high, come in here with bills costing millions and billions of dollars, and throw them all around, yet they do not want the farmers of the United States to get a bathtub. As a matter of fact, only 1 farmer out of 10 has a bathtub now. Let us let a few more get bathtubs. This is just based on fairness, equity, and justice.

Mr. Speaker, there is one more thing I wish to call to your attention. Many people do not realize it, but during the last year we imported \$1,600,000,000 worth of competitive agricultural products. We import more agricultural products than we export or give away. When the Honorable John Flanagan was chairman of the Committee on Agriculture he called attention to it in the Seventy-ninth Congress; that is, that the world price plus the duty was less than our support price. What we are doing at the present time, right or wrong, is supporting not only the production in the United States but we are supporting the price on \$1,600,000,000 worth of competitive agricultural products. I am not talking about non-competitive products like coffee, and so forth. This situation must be ironed out or the support program will cost additional millions. There has been considerable criticism because the Magnuson amendment was eliminated. Regardless of its merits, how many people think the President would sign this bill with the Magnuson amendment in it?

CONDENSED SUMMARY OF THE AGRICULTURE SITUATION

First. The 90-percent-of-parity support provides a 50-to-60-cent-per-hour labor return.

Second. There is nothing to be said in opposition to the Steagall, Gore, and

Hope bills, which are all practically the same except the administration of them. Politics and economics do not mix too well for the public welfare.

Third. The Anderson bill gives agriculture the short end of support, but the conference report represents the best your conferees could obtain.

Fourth. The Anderson bill delegates too much power to the Secretary of Agriculture. This is not a desirable approach for two reasons: One is that the legislative branch should pass laws and the executive branch should execute them; two is that this places too much responsibility on the Secretary. The Secretary can give the farmer all the things he has been promising him if he has the funds to do it.

Fifth. The dairy farm is guaranteed 75-to-90-percent-of-parity support on whole milk, butterfat, and products thereof, which includes butter, dried milk, cheese, and evaporated milk.

Sixth. Egg and pork prices are to be at the discretion of the Secretary of Agriculture. It is ridiculous, I admit, to give a \$4,000,000 tung-nut industry where 16,000,000 pounds are produced and 133,000,000 pounds imported a semibasic status and not give any consideration to a \$3,500,000,000 hog crop. I also admit it looks ridiculous to give a \$7,000,000 mohair crop a semibasic status and leave a \$3,000,000,000 poultry crop without any mandatory supports.

Seventh. We of the House in Eighty-first Congress, have doubled the take-home pay of the President; we have provided a 50-percent increase in salary of the top officials of the Government like the Cabinet members; we have provided an increase in salary for over 1,000,000 civil-service employees; we have passed a social security bill that excluded the rural people; we have passed a minimum wage bill but left the farm labor out of consideration; we have appropriated millions and billions for the welfare of citizens of other lands—and now as the last act of this session we are asked to weaken the economic position of the rural people of America. I regret this bill does it, but it is the best we could get.

We have noted that the Secretary of Agriculture has provided a 25 cents per hour minimum wage for labor in the Virgin Islands and the 32 cents per hour for labor in Louisiana under the Sugar Act.

What has taken and is taking place? First, farm land prices are declining, farm indebtedness is increasing; national farm income is decreasing and yet the American farmer is subjected to unfair, senseless criticism by people who should have more common sense. Farm wages are less than last year too. It seems people in the administrative positions in the executive department consider it more desirable to blame the farmer for programs over which he as an individual has nothing to do with nor nothing to say about in regard to them. The farmer is in fact used as the whipping boy by certain Government officials to cover up their own lack of experience and back-ground.

Let us hope that from now on politics be left out of this most important legis-

lation, and that this law is administered for the best interests of all the people of our land.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Texas.

Mr. BECKWORTH. Thank you, Mr. MURRAY, for yielding to me. This is, indeed, considerate of you.

It was my contention as the debate on the cotton quota legislation August 3, 1949, proceeded that not enough consideration was given to the small family-size farmer such as the veteran who had been away or the small family-size farmer who had worked in a defense plant or the successor of the defense plant. I refer, of course, to a genuine farmer found so to be by the county agricultural committee of the respective county. Many of these farmers, genuine farmers they are, are at home now. They deserve a fair deal as to peanuts and cotton and other crop quotas. This fair deal they must have. I offered several amendments August 3. They were opposed. I quote some of the statements made about changing the cotton quota bill then.

I quote Representative PACE, one who has worked on the cotton quota bill diligently. His remarks are on page 10920:

Mr. PACE. Mr. Speaker, the sentiments expressed here by the distinguished gentleman from Texas have motivated his entire service in the Congress. That is, his interest in the family-sized small farm. It gives me pleasure to tell him that there has never been a bill, such as that now before the House, which concerns itself so much with the welfare of the family-size farm.

I may also say there has never been a bill presented to the House that is as liberal in authorizing allowances for new farms and small farms.

I quote again Representative PACE. His remarks appear on pages 10923 and 10924 of the same CONGRESSIONAL RECORD of August 3, 1949:

I said a while ago to the gentleman from Texas [Mr. Beckworth] that there never has been a bill brought to the Congress giving more consideration to the small operator than does this bill. We have gone just as far as we can go, because every man who has been growing cotton, big or little, has some rights that must be protected.

Now I quote the distinguished chairman of the House Agriculture Committee; his remarks appear on page 10922.

To talk about the little grower and about protecting and providing for the little fellow, to talk about the new grower, as the matter has been discussed here, seems to me to indicate a lack of understanding of the measure that has been presented.

This bill makes rather liberal provision for both little growers and new growers.

Already the cotton quota bill is being amended—less than 3 months after the passage of the 1949 cotton quota bill. I am not surprised. My remarks of August 3 establish clearly that I would not be surprised. To give the small family-size cotton farmer a fair deal, it should be amended some more—at least to the extent he can earn a living. I refer only to genuine cotton farmers, cotton farmers found so to be by their County Agricultural Committees. Be it

recalled I emphasized this when I spoke several times August 3, 1949. My amendments of that date disclose this as my meaning.

Yes, the 1949 cotton quota bill is being amended today.

The amendment was offered originally in the Senate by Senator ANDERSON. It is on page 14609—in the middle of the page—of the October 12, 1949, CONGRESSIONAL RECORD.

Here is the amendment. It was not explained.

MR. ANDERSON. Mr. President, I have an amendment which is on the desk, and which I ask to have stated.

THE VICE PRESIDENT. The Secretary will state the amendment.

The amendment was, on page 23, after line 4, to insert the following:

"SEC. —. Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure '10' in the first sentence and inserting therefor the figure '15', and (ii) by striking the figure '30' in the proviso and inserting therefor the figure '20'."

I have not heard it explained today; it is found on the last page of the conference report we have before us today. The report is not numbered but accompanies H. R. 5345.

I sought an explanation and include the explanation at this point.

DEPARTMENT OF AGRICULTURE,

Washington, D. C., October 17, 1949.

HON. LINDLEY BECKWORTH,

House of Representatives.

DEAR MR. BECKWORTH: This is with reference to your letter of October 13, 1949, relating to an amendment being submitted pertaining to subsection (f) 3 of section 344 of Public Law 272, Eighty-first Congress.

This amendment proposed to increase the reserve which county committees may withhold for specified use and adjustments from 10 to 15 percent and, changing the percentage of any such reserve withheld, for use in adjusting allotments otherwise computed between 5 and 15 acres from 30 to 20 percent.

The Department, in its work this year with the Congress pertaining to the cotton-acreage allotment and marketing-quota legislation, has consistently recommended greater flexibility in the allotment procedures by providing adequate reserves for the State and county production and marketing administration committees to use in making specified adjustments which mathematical formulas so often fail to recognize.

This amendment does provide additional flexibility to the county committee by making it possible for them to have more acreage to adjust allotments below 5 acres and above 15 acres and does not alter the acreage that they would have for adjustments for allotments between 5 and 15 acres. Also, such amendment, by increasing the reserve from which new farm allotments may be made, would, if the committees so provided, make more acreage available for this use. The Department, therefore, feels that such an amendment is desirable.

Sincerely yours,

K. T. HUTCHINSON,
Acting Secretary.

I am glad to note that among others to benefit under the terms of the amendment are those farmers who grow 5 bales or less.

Again I assert for peanut quotas to endure, for cotton quotas to endure, they both must be fair to the family-size

peanut or cotton farmer. In this direction we must move forward. All types of farmers must receive their fair share of the agricultural income.

I quote a letter I recently received from a constituent of mine:

MINEOLA, TEX.

HON. MR. BECKWORTH,

DEAR SIR: See, I am a renter and I want to know how much cotton I will be allowed to plant next year before I start farming cotton. I am enclosing a letter from the Quitman AAA office.

Will say under the new law you fellows have made instead of putting more fellows on the farm you all are fixing laws to put them off the farm. Me and my son have now about \$900 worth of peanuts we can't sell because there wasn't any allotment on these farms, and there are thousands of farms that don't have allotments, so you can see cotton will be on the same order the farms have been laying out during the war and can't get allotments in Wood County.

So let me know how much cotton I will be allowed. If I am cut very bad I will be forced off the farm. I am 60 years old, and farming is all I know and can do, but when you fellows make laws to stop me and others from farming it is too bad. So let me hear from you at once.

I could write a book of how the farmers are being pressed off the farm, and you can see, can't you?

Yours respectfully,

U. S. BELCHER.

MR. MURRAY of Wisconsin. I thank the gentleman. I have introduced a bill to meet this situation. It provides for a 5-bale minimum for cotton and 500 bushels for wheat.

MR. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [MR. MAHON].

(MR. MAHON asked and was given permission to revise and extend his remarks.)

MR. MAHON. Mr. Speaker, on account of time limitations there is, of course, no opportunity for Members of the House who are not members of the Committee on Agriculture to adequately express themselves with respect to the long-range farm bill now before the House of Representatives. As I understand the matter, the situation is this. We either have to approve the bill before us or the farmers of the Nation will be saddled with the so-called Aiken Farm Act. That act provides that agriculture would start downward through a 60 to 90 percent sliding scale arrangement toward collapse and disaster for the farmer and eventually for the country at large. The Aiken Act cannot be tolerated or defended. There is no doubt but that the bill before us is better than the Aiken law.

Moreover as I understand it, the bill before us is far superior to the so-called Anderson bill, and the committee members writing the present bill feel the measure presently being considered is the best that could be secured at this time.

MR. SPEAKER, this year and last year and for many previous years I have attended numerous farm meetings and I think I know something about what the agricultural producers desire in a farm program.

The bill before us does not meet the minimum requirements of what we need

in a farm program. We should have a guaranteed support of not less than 90 percent of parity on cotton, wheat, grain, sorghum, and other major crops. This bill does not meet these requirements. It only goes part way.

Undoubtedly, the bill before us will become the law. It is either this measure or a less satisfactory law. I hope that the measure can be improved in the future and made more adequate and I shall work with the friends of agriculture in that direction.

May I say that I am amazed at the action of some of the Members of the House from industrial areas who have today expressed emphatic objection to this present bill, claiming that the bill is too generous toward agricultural producers. On the contrary, the measure is inadequate and does not give producers the consideration they deserve. I regret that these Members do not seem to understand the facts.

MR. FULTON. Mr. Speaker, will the gentleman yield?

MR. COOLEY. I yield to the gentleman from Pennsylvania.

MR. FULTON. I would like to know how the opposition to this bill can break through the gag rule of the farm bloc here to give us more than 1 minute of time. There have been 59 minutes for this particular legislation and but 1 minute against.

MR. COOLEY. I decline to yield further. But, I would like to observe that this is not supposed to be controversial. It is supposed to be an explanation of a conference report, and I have given to the conferees the time which was placed at my disposal so that they might advise the House concerning the contents of this report. It is not a controversial report, and I do not see any reason why the gentleman should insist on the opposition being heard.

MR. SPEAKER, I yield the balance of my time to the gentleman from Texas [MR. POAGE].

MR. POAGE. Mr. Speaker, it had not been my intention to inject myself into this discussion. The bill has been clearly and concisely explained by my distinguished colleague from Georgia [MR. PACE].

As one of the conferees on this measure I supported the compromise which is now before you. I felt and I still feel that it was the best possible compromise that we could secure at the hands of the representatives of the other body some of whom seem to feel very strongly that we should do as little as possible in the way of supporting farm prices. I had, therefore, accepted this compromise as better than the Aiken bill which would have gone into effect had we not been able to agree. I had recognized that this proposal gave to the farmer less than his fair share of the national income, but gave him more than he would have received had the representatives of the House remained adamant. I had not, therefore, felt any enthusiasm for the measure. However, when Members from metropolitan areas whose constituents have been recipients of all manner of favors at the hands of this Congress, began to snipe at this program and to

criticize it because it would assure the producer of food and fiber some portion of a fair price for his products. I felt that I should come forward and apologize for the legislation. I offer, however, no apology to the citizens of the large cities nor to their Representatives. They have received far more at the hands of this Congress than the Congress has ever provided for the farmer.

They have within the last few months received an increase in the minimum wage which almost doubles the wage guarantee. They have received an increase in social-security payments which almost doubles the payments and greatly increases the number of recipients. In fact, this Congress has extended these benefits to almost every group of American citizens save and except the farmers of our land. Those of our urban citizens who work for the United States Government have within the last few days received substantial salary increases, in fact, every group of Government employees, save Congressmen, from the President to the janitor in my home post office have received salary raises by this Congress. Every individual privately employed over whose income the Government has been able to exercise any degree of control, has likewise enjoyed an increase in his wages and in most cases an improvement in his working conditions.

The farmer still works by the sun and not by the law and when he reduces his hours to those of the average city worker we will no longer need to consider the problem of so-called agricultural surplus—there won't be any. No, my friends, I can't find myself greatly disturbed over the sad plight of the urban consumer who is complaining about paying 90 cents per dozen for eggs and charging it to a farm-support program that brought the farmer from 30 to 35 cents for those same eggs. In no case does the farm-support program involve supports in excess of 90 percent of a fair price. Does any Representative of a urban district seriously contend that the consumers of this Nation should be given the opportunity to buy their food and fiber at less than a fair price? Does anyone object to the farmer receiving a fair price? Neither this compromise nor any other farm legislation that has been passed during my 13 years in Congress undertakes to assure any farmer anything more.

The truth of the matter is that the prices my urban friends complain of are not the result of the prices paid the farmer. They are the result of the high cost of transportation, distribution and dealers' profits. As a matter of fact the investigations of our Committee have indicated that the food that is sold in the retail stores in Manhattan and Brooklyn more than doubles in price from the time it leaves the Jersey piers on the west side of the Hudson River. That food has come from all parts of the United States—20 percent of it has moved clear across the continent from California and yet when it comes to rest on the Jersey piers with all the freight, all the insurance, all of the middle-man's profits up to that time, all of the labor, all of the

harvesting, all of the cost of making the crop and whatever profit the farmer has, we can only account for half of the price that will be asked the housewife just across the river.

Obviously the price that the farmer receives is a small part of the price that the housewife pays. I would, therefore, suggest that our friends from the metropolitan areas might do well to do some house cleaning at home before they criticize the farmer for asking for 75 to 90 percent of a fair price and that, my friends, is all this bill gives to anyone. I don't think that it is enough for the farmer and in all frankness I expect to come back at a later date asking for a better deal for the farmers of America. Nor would I ask this House or the farmers of this land to take this bill if I saw any possibility of securing a more equitable piece of legislation. I, therefore, direct my apology, not to the consumer, but to the man who toils from sun to sun producing the food and fibre needed to feed and clothe our Nation. To him I would say that I sincerely regret that the conferees on the part of the House were unable to secure the guarantee of at least 90 percent of a fair price for his products when he submits himself to production controls. I would say to him that it is my belief that at any time that farmers are willing to keep their production of a basic crop within the limits fixed by the allotment laws they should in turn be assured of a price of at least 90 percent of parity, but we were not faced with the choice of a fair and equitable bill as against this bill. We were faced with a choice between this compromise and the Aiken bill which would have reduced farm income even further. We were faced with conferees of the other body some of whom in effect said that "if we give the farmer a fair price for a few years some future Congress will reduce his status and probably bring him to bankruptcy." Therefore, these representatives propose to save the farmer from future destruction by destroying him at the moment with either the Aiken or the Anderson bill. For my part, I am going to get for my farmers the very best assurances I can and if they are ever destroyed I want it to be at the hands of those who frankly admit themselves to be the farmer's enemies and not at the hands of alleged friends.

You cannot maintain a prosperous and a sound economy over the Nation with a bankrupt agriculture. The industrial workers of this Nation must know that they cannot long enjoy full or profitable employment when farmers are required to sell and produce at less than the cost of production. The whole Nation can be prosperous together, but New York City cannot prosper while the farmers in the middlewest or the south are in distress. This compromise does not go as far as it should in behalf of the farmer, but it goes just as far as it was possible for your conferees to go. I, therefore, urge the House to adopt the report.

The SPEAKER. The time of the gentleman from Texas has expired. All time has expired.

Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 175, noes 34.

Mr. HERTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-three Members are present, a quorum.

Mr. FULTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. POAGE submitted the following conference report and statement on the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 1460)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

Change the figure "\$75,000" to "\$100,000"; and the Senate agree to the same.

HAROLD D. COOLEY,
STEPHEN FACE,
W. R. POAGE,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,

Managers on the Part of the House.

ALLEN J. ELLENDER,
By S. L. H.
SPESSARD L. HOLLAND,
OLIN D. JOHNSTON,
EDWARD J. THYE,
B. B. HICKENLOOPER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes

shipped elsewhere without paying the customs which would be required if they had been imported into this country.

This is a slight broadening of the authority for foreign-trade zones. When this bill came before the Senate an amendment relating to fur, offered by the Senator from Wisconsin, was adopted, but it was not agreed to by the conference; one of the principal reasons being that the amendment was opposed by the State Department, and its acceptance would in all probability have meant that the bill would be vetoed. In view of that fact, the conference reported the bill back without the fur amendment.

I personally would be in favor of the amendment, or of any legislation to prevent the importation of fur. I voted for such an amendment to the Reciprocal Trade Act. It might have been that the act would have been signed, if the amendment had been added to it. However, it is a virtual certainty that the pending bill would not be approved if the amendment were added.

At this late hour of the session, if the conference report is refused, it will not mean that the amendment will become law, but merely that the amendment will die with the entire bill, in conference, because the House and Senate will probably adjourn today. Therefore, in the effort to have some legislation passed on the subject of the foreign-trade zones, even though I would be in favor of the principle of the fur amendment, standing on its own bottom, I should like to see the conference report agreed to. It would have the effect of at least dropping the fur amendment, so the rest of the bill might be passed.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. McCARTHY. Do I correctly understand that the conferees received word from the White House to the effect that the President would veto the bill unless the amendment to protect the fur farmers were rejected?

Mr. LONG. I have not received any direct word from the White House, although I have received information indirectly, which I consider to be somewhat authoritative, that the White House would not look favorably upon the amendment. I am quite aware, as I know the Senator from Wisconsin is aware, that the State Department is opposed to the amendment on the ground that it would be a precedent for many other enactments of the same nature.

Mr. McCARTHY. Do I correctly understand that the State Department informed the conferees that they would do everything in their power to get the President to veto this bill unless the amendment should be rejected?

Mr. LONG. That is my impression.

Mr. McCARTHY. The conferees were subjected to unlimited lobbying on the part of Mr. Brown and other gentlemen from the State Department during all the time the conferees were working on the bill.

Mr. LONG. I know nothing about that, although I am informed reliably

that the State Department is very much opposed to the amendment. Of course, at this late stage it would be impossible, if the Senate does not agree to the conference report, to pass this legislation either with or without the amendment, because it would be too late for the conferees to act again at this session.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARTHY. If the report in question is sent back to the conferees and the Senate conferees are instructed to insist upon the Senate amendments, am I correct in saying that even though Congress should adjourn tonight or tomorrow the bill would not automatically die, but could be called up again in January, when Congress returns?

The VICE PRESIDENT. The Chair would observe that if the report were recommitted, or if no conference report had been made, if Congress adjourned it would hold over until the next session of Congress. Legislation does not automatically die with the adjournment of a session; it dies with the adjournment of a Congress.

Mr. McCARTHY. If the Senate rejects the conference report and sends it back to conference with instructions to insist on the Senate amendments, would it be held over to the second session of the Eighty-first Congress?

The VICE PRESIDENT. The legislation would remain in status quo until the next session of the Congress.

Mr. McCARTHY. Mr. President, is a motion in order that the conference report be rejected and that the Senate conferees be instructed to insist on the Senate amendments?

The VICE PRESIDENT. The Chair supposes the Senator means to inquire whether a motion to recommit the conference report to the conferees would be in order.

Mr. McCARTHY. That is correct—with instructions.

The VICE PRESIDENT. A vote on the conference report itself would take priority over a motion to recommit. If the conference report should be rejected, it would be in order to move that it be recommitted.

Mr. McCARTHY. The pending question, then, is a vote upon the acceptance or rejection of the report?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield to my illustrious colleague from Nebraska.

Mr. WHERRY. If the conference report is rejected, is it the intention of the junior Senator from Wisconsin to move that the conference report be sent back for further conference with instructions from the Senate?

Mr. McCARTHY. That is the intention of the Senator from Wisconsin.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. IVES. The Senator from New York would like to ask the Senator from Wisconsin if his only objection to the

conference report is the fact that this particular section has been deleted? Outside of that, is the Senator satisfied with the report?

Mr. McCARTHY. Outside of that, the Senator from Wisconsin is satisfied with the report.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. DONNELL. The Senator stated it would be his intention if the conference report is rejected, to move that the bill be sent back to the conferees with instructions. May I ask the Senator whether those instructions would be to the effect that the conferees should insist upon the retention of this amendment?

The President shall establish such regulations of the importation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry.

Mr. McCARTHY. That is correct.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. MILLIKIN. Mr. President, I simply wish the RECORD to show that the junior Senator from Colorado, the senior Senator from Delaware [Mr. WILLIAMS], Representative WOODRUFF, and Representative BYRNES were the Republican conferees who refused to sign the report because the amendment referred to by the distinguished Senator from Wisconsin was excluded from the bill.

Mr. McCARTHY. Mr. President, I sincerely hope the Senate will reject this report, for two reasons. I believe it is time for the Senate—

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARTHY. For a question, certainly.

Mr. LUCAS. Mr. President, will the Senator yield in order that I may ask unanimous consent that the conference report be withdrawn, and that the Senate proceed to consider the conference report on the farm bill? I do not know how long it will take.

Mr. McCARTHY. Mr. President, I promised the Senator from Louisiana [Mr. LONG] that I would cooperate with him to have this conference report brought to the floor. I know he is sincerely interested in this particular bill. He is sponsoring it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. The Senator from Illinois asked if I would yield for the purpose of making a unanimous-consent request. I may say that if the Senator from Louisiana has no objection to that procedure, I have none.

Mr. LONG. Mr. President, I shall not object, in view of the importance of the farm bill, which is certainly more important than is this particular piece of legislation.

The VICE PRESIDENT. Without objection, the motion of the Senator from Louisiana is withdrawn.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, on behalf of the Senator from Oklahoma

[Mr. THOMAS], I submit a conference report on House bill 5345, to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see pp. 15246-15268 of today's House proceedings.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WILLIAMS. Mr. President, would the Senator from New Mexico tell us what action was taken with reference to the amendment offered by the Senator from Washington [Mr. MAGNUSON]?

Mr. ANDERSON. It was eliminated from the bill. I recognized that there was support for it in both Houses, but in view of the effect it would have on reciprocal trade agreements, the conferees on both sides agreed that the amendment should be dropped from the bill.

Mr. DONNELL. Mr. President, I regret that owing to the conversation I was having with another Senator I did not hear what the Senator from New Mexico said was done.

Mr. ANDERSON. The question was whether the Magnuson amendment was still in the bill, and I explained that because of the effect on reciprocal trade agreements it was thought wise to eliminate it from the bill.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. It was also eliminated in order to obtain a farm bill. It was recognized by both sides of the conference that it was an amendment which it would be unwise to leave in the bill because of a threatened veto. In order to get a farm bill, Members on both sides were willing to eliminate the amendment.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. I should appreciate it very much if the Senator would give a description of the results of the conference.

Mr. ANDERSON. If the Senator desires, I shall be happy to do so.

The first point of difference is in the portion of the Senate bill which retained 90 percent supports for 1 year. The conferees on the part of the House desired 90 percent supports for a period of at least 5 years. The matter was not one that was easy to resolve, and the final decision was that 90 percent supports should be retained on all basics for 1 year. A minimum of 80 percent would be permissible the second year, and the range would be between 80 and 90 percent. Therefore the table carried in the

Senate bill ranging from 75 to 90 percent would be fully effective.

There was one additional change, which relates to the parity base. The Senate bill had used a modernized parity formula, including hired-help wages, and giving effect to wartime subsidies. The House bill had retained the old parity formula. That parity formula was, should I say, more favorable to certain grains and not so favorable to livestock farming.

The Senate conferees strongly believed that a formula favorable to the livestock farming should be the one that remained in the bill, but at the strong insistence of the House conferees that agricultural income was dropping too rapidly because of the acreage limitations coming into effect in 1950, it was voted that for a period of 4 years the Secretary of Agriculture should calculate, for basics only, the two parity bases, both the old and the new formulas, and should apply the one most favorable to the producer.

It must be said that there is a fairly substantial difference in the first year. Economists testifying before the Senate Committee on Agriculture and Forestry a year ago said that the two formulas would gradually merge and come together, and that it might take 4 or 5 years to accomplish the desired result. This means that within a reasonable time the two may come together. The Senate committee still adheres to the modernized formula carried in the Agricultural Act of 1948, plus hired labor, plus the effect of the subsidies. But there was that concession made to the House conferees with reference to the use of whichever base was desirable.

Mr. WILLIAMS and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Mexico yield, and if so, to whom?

Mr. WHERRY. May I interrupt on the point the Senator has been discussing?

Mr. ANDERSON. I yield to the Senator from Nebraska, then I shall yield to the Senator from Delaware.

Mr. WHERRY. The Senator says the Secretary can figure on the basic crops, the old formula—

Mr. ANDERSON. He shall calculate them both and use the one most advantageous to the producer.

Mr. WHERRY. The old one, of course, is the one that has been in operation, taking as the base—

Mr. ANDERSON. 1909 to 1914.

Mr. WHERRY. Is that the parity formula which has been suggested by the distinguished Senator from New Mexico?

Mr. ANDERSON. No; it is the formula which was carried first in the Agricultural Act of 1948, but it provides for the same base period, and then permits a modification of it, depending on the relationship of the crops in the past 10 years.

Speaking now from memory, and I hope I speak correctly, as to wheat, using that formula the figure would be \$1.94. Using the new formula, it would be \$1.84.

Mr. WHERRY. On the present parity basis?

Mr. ANDERSON. Yes.

Mr. WHERRY. How would the same parity formula, if it is adopted for the basic crops, affect livestock?

Mr. ANDERSON. The new formula is much more advantageous to all other crops than the basic crops, with the exception, I believe, of perhaps potatoes. It is much more favorable to livestock than the old formula. Of course, the reason for using the new formula was a desire to encourage a relatively favorable ratio for livestock, thereby resulting in the consumption of more grain.

Mr. WHERRY. So in order to effect this compromise, it was determined by the conferees that either formula should be used in either case, whichever was desired to be applied. Is that correct?

Mr. ANDERSON. That is correct.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Delaware.

Mr. WILLIAMS. Do I understand correctly that in effect the report continues a portion of the Aiken bill and a portion of the Anderson bill, and there is a choice offered to the farmers to select whatever is the most advantageous?

Mr. ANDERSON. No, I do not think that would be a fair statement. As to the parity formula, it is not a question of the farmer deciding which is more advantageous to him. The Department of Agriculture must assume the responsibility. It will calculate the two parity formulas, and decide which parity formula is more beneficial to the producer, and use that one.

There are a great many sections of the Aiken bill retained in the conference report bill, I am happy to say, if that is the import of the Senator's question. It does retain that portion of the modernized parity formula which was carried in the so-called Aiken portion of the Agricultural Act of 1948. It has attempted to amend the law by the inclusion of the hired labor and by the inclusion of wartime subsidies, paid during the period of the war.

Mr. WILLIAMS. The first year, automatically, there would be 90 percent parity, but the second year it would be 80 percent only if the Secretary so decided, would it not? He could project the 90 percent another 2 years if he so desired.

Mr. ANDERSON. Yes. It was the opinion of the conferees on the part of the Senate that that theory involved one crop only, namely cotton. It is entirely possible that the position of cotton may be in the neighborhood of 135 percent in 1950, 136 or 137 percent in 1951. But it is purely a guess, because we cannot tell what the weather is going to be. It might require that the level of cotton might be dropped as low as 75 percent in 1951. The acreage of cotton is about 26,000,000, 5 or 6 or 7 hundred thousand acres this year. The acreage of cotton will be reduced by virtue of the cotton limitation bill to 21,000,000 acres, almost surely, in 1950. That means that there will be a reduction in cotton acreage of from five and a half to five and

three-quarter million acres, a total bale reduction in the whole crop of about 4,000,000 bales. At \$125 a bale, that means \$500,000,000, at least, taken from the cotton farmers.

The committee felt it could afford to cushion the shock further by estimating 80 percent of parity in 1951 instead of 75 percent, which makes a difference of about \$7.50 a bale, and cuts the 4,000,000 bales which might go into the hands of the Commodity Credit Corporation.

Mr. SALTONSTALL. Mr. President—

Mr. ANDERSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I desire the floor in my own right.

Mr. ANDERSON. If there are additional questions, I shall try to answer them if I can. Then I shall be happy to yield the floor.

Mr. LUCAS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Illinois.

Mr. LUCAS. With respect to the last question the Senator from Delaware propounded, with regard to the second year, the minimum is 80 percent, and the maximum is 90 percent, as I understand, and the figure would be between 80 and 90 in the second year.

Mr. ANDERSON. Yes. For example, in the case of wheat, it is entirely possible that the range would be between 83 percent and 90 percent. When we come to project what is going to happen in 1951, I dislike having my words written down as to what the range will be, because I cannot tell what the weather will be in either 1950 or 1951. But to the best of our knowledge, taking average yields, the yield of wheat, taking into consideration the present situation as to wheat, the present plantings of fall crops of winter wheat this year and the projected plantings of spring wheat next year, all those things being taken into consideration, we ought to have a minimum of 83 percent in 1950. We are saying the figure shall be 90 in 1950. The best estimates we can make indicate that wheat in 1951 would have a range of probably 84 to 90 percent. But we are saying it shall not drop below 80 percent. There could be a complete curtailment of ECA shipments, which would place the wheat supply in a bad situation. I do not believe that is going to happen, but I do say that the guaranty of 80 percent for the second year is not so necessary to protect the wheat, corn, rice, tobacco, and peanut situation as it is to protect the cotton situation.

It should be borne in mind, if the Senator will indulge me, that the cotton acreage will again be further reduced in 1950, in all probability, down to about 17,830,000 acres. The formula in the cotton-limitation bill would permit that, and if cotton acreage is dropped from 26,500,000 acres this year down to 21,000,000 in 1951, that is a very substantial reduction in a crop which in many cases is the sole source of cash income to many farmers.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. ANDERSON. Yes. I am anxious to yield to other Senators who have indicated that they wish me to yield to them, but I yield first to the Senator from Illinois.

Mr. LUCAS. I think we should further discuss briefly the first section of the bill dealing with tables 1 and 2. In other words, as I recall, the House conferees at one time made a motion to strike out those tables, which would give the Secretary of Agriculture the sole discretionary power to say whether or not the figure should be 75 percent as a minimum or 90 percent as a maximum. In other words, the Secretary could do as he pleased. The Senate conferees voted to defeat that motion, and defeated it, which left the tables in the bill. While it is the opinion of the Senator from Illinois and other Senators that the Secretary of Agriculture could fix the figure anywhere from 75 percent to 90 percent upon the basic crops after the second year, and from 80 percent to 90 percent during the second year; on the other hand the situation would have to be an extraordinary one when he did not follow the tables. So the tables are in the bill as a guide. I think I am correct in that statement. I hope the Senator from New Mexico agrees with that statement.

Mr. ANDERSON. I agree that the tables are in the bill, with clear language which provides that the support shall be not more than 90 percent nor less than the table figure. I think the table affords a very definite protection to the farmer, because as he improves his supply position, as he moves away from 130 percent, as he has in cotton, to a supply position where he may have 125 percent, he immediately begins to get support underneath the floor of the product, and it encourages him to put his own house in order.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I wanted to ask the Senator from New Mexico another question. On page 9 of the report, in section 416, I read this statement:

Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

It seems to me that this provision is much broader than it was as it was passed by the Senate.

Mr. ANDERSON. No.

Mr. WILLIAMS. And I wondered what the Senator from New Mexico would have to say about it.

Mr. ANDERSON. No; I think it is even more restricted than the language

passed by the Senate. May I explain it in this way: The Senate amendment presented by the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS], provided for the allotment of these goods which were in danger of deterioration, to needy Indians, to public welfare organizations, and to CARE, naming a single relief organization.

Now in an attempt to overcome what we regarded to be the most serious objection to naming only a single relief organization, when there are in existence many relief organizations, we decided that the whole matter should not be put on a complete equality; that the Secretary first of all must make the food available to the school-lunch program and to Federal agencies for the relief of Indians, and publicly supported charitable institutions. If he has additional material left when he finishes with those governmental and public organizations, then, and only then, can he reach further and try to take care of—as the Representative from Wisconsin, Mr. MURRAY, said—welfare homes, or, rather, orphanages, and foster homes in various areas. But he must take care of first the school-lunch program and its needs, and he can only give food that is in danger of deterioration. Then he must take care of the public-welfare institutions where there are needy persons. But I think when he gets through with that list he will have very little left to distribute to any other group.

Mr. WILLIAMS. But assuming he did have some commodities left, the power would be in the hands of the Secretary of Agriculture to determine the eligibility of any private welfare organization, and his decision would be final. Is not that correct?

Mr. ANDERSON. That is correct, with the exception that there is a Government list which has been prepared. I might say that some years ago the Department of Agriculture had funds sent to it from good-hearted Americans who wished to have charitable contributions made to people in other countries. A special commission was established which passed upon what agencies should be eligible, and the moneys were turned over to those agencies. I imagine the Secretary of Agriculture would be guided by the same sort of semiofficial findings in case he wanted to establish some such list as that.

Mr. WILLIAMS. I recognize that there is the possibility that he would be guided by our intentions but nevertheless there is nothing in the bill which provides that he must be guided by them, and he can recognize any private welfare organization anywhere in the United States provided he chooses so to do and make contributions to that organization of any amount of commodities he wishes.

Mr. ANDERSON. That is correct, except that the conference report is more restricted than the amendment adopted by the Senate in that he must take care of these other applications first. I fully agree with the distinguished Senator from Delaware that this is a bad way to dispose of them. Other members of

the conference will recognize that I even resisted this provision, and felt it should not be in the bill, but I still believe it is better than the provision that was in the amendment agreed to by the Senate.

Mr. WILLIAMS. The Senator from New Mexico will agree with me, will he not, that perhaps with the projection of this 90-percent support into the future we might have enough surplus to go around for everybody.

Mr. ANDERSON. I hope we will not have enough to go around.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. TOBEY. I wish to ask a very brief question. In the final draft of the bill as made by the conference, referring to support prices, are broilers to be construed as chickens?

Mr. ANDERSON. The amendment offered by the Senator from Delaware was in the bill as it went to conference. The House conferees objected to it and decided to reject it, and the Senate conferees agreed. I will say that if the time ever comes when the Senator from Delaware needs a friend to plead his cause with the Secretary of Agriculture, I shall be glad to plead with the Secretary for him that the intent of the Senate was that broilers should be considered as chickens.

Mr. TOBEY. And does the Senator think that flexibility would apply to give him the results he wants?

Mr. ANDERSON. I am not certain that it would.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I think the Senator from New Mexico, the former Secretary of Agriculture, will bear me out in this statement that during the period in which he was in office he never received an application from my office nor from the poultry growers in our area for support of broilers. The present Secretary of Agriculture, Mr. Brannan, will also support me in that same statement. I was not asking for a support price on broilers at the time I offered my amendment. I have discussed with the Senator from New Mexico, both on and off the floor, the fact that I do not think it is practical to support any type of meat, including pork, beef, and poultry. But I included broilers because, as broiler growers we resented the fact that the Secretary of Agriculture did not include broilers for reasons which I felt were purely because I had criticized the administration and the Department of Agriculture at different times. The Secretary of agriculture some time ago issued a regulation in which he defined a broiler as not being a chicken. He failed to state, however, just what kind of an animal a broiler represents. Apparently, Mr. Brannan has never been near a poultry farm. A broiler is hatched from an egg. The father is a rooster and the mother is a hen. If a broiler is not a chicken I do not know what it is. It was purely for the purpose of clearing up the definition that I asked for the amendment. I think that further emphasizes the fact that the Secretary of Agriculture

does not care to cooperate with us on the Delmarva peninsula. However, so long as I am in the Senate I shall continue to insist that the Department of Agriculture treat our farmers on a basis of equality with the farmers elsewhere.

Mr. ANDERSON. Mr. President, I want to substantiate what the Senator from Delaware says respecting the support-price question. I explain to him only that we thought it was an amendment that could be eliminated, but we tried to retain it.

Mr. WILLIAMS. It never should have been necessary to put it in the bill, as it is absurd to define a broiler as other than a chicken.

Mr. ANDERSON. I agree.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GURNEY. I remember, and I believe the Senator from New Mexico does, that on the farm—I know it was true in South Dakota—sometimes the old hen raised ducks.

Mr. ANDERSON. It is possible; and she proved to be a very good mother.

Mr. GURNEY. The serious question which I wished to ask was this: During the past few days I have received a good many communications to the effect that to the folks at home there seems to be some inconsistency in the fact that egg prices are not going to be supported on a mandatory basis under the terms of the conference report, inasmuch as the feed for the chickens is going to be kept at high levels. I have hurried through this report. I have had an opportunity to see it only in the past few minutes. I do not find anything on the egg question. Could the Senator from New Mexico state some reason for handling the egg situation as it has been handled in the new farm bill?

Mr. ANDERSON. As I tried to explain when the bill was under consideration in the Senate, the term "basic commodities" is probably a very bad one. "Controllable commodities" is probably the better expression, although it still does not completely define what is intended.

The difficulty with the egg program is that it is extremely hard to control. One of the reasons why the program is not included in the bill is that the Committee on Agriculture and Forestry received complaints from many persons interested in the egg business that the purchase of all eggs at a fixed price was hurting the program of grading eggs, which had been so well established by the Department of Agriculture, and up until recent years so well followed by the farmers. We felt that it would be better for the Department to work out its own separate program, not on a mandatory basis, but perhaps by giving certain supports to graded eggs, and other supports to eggs which were not so good.

Mr. GURNEY. Is it particularly and specifically ordered in the bill that the Secretary shall do that for eggs?

Mr. ANDERSON. No; it is not. However, it is permissive, and there is a provision which requires the Secretary, so far as feasible, to inaugurate programs of that character.

Mr. GURNEY. But there is nothing stating the intent of Congress to make such provision for graded eggs.

Mr. ANDERSON. No.

Mr. GURNEY. The reason our people are so much interested in the egg program is that they hear stories of 80-cent eggs in Washington and New York, while they are 30 cents in the western grain country. No one so far has been able to explain to them why there should be that large difference. As the Senator from New Mexico knows, a great part of our farm income in my area is from eggs.

Mr. ANDERSON. The Senator from South Dakota will recall that the difference which he mentions can sometimes be explained by reason of the fact that pullet eggs are being offered under this same support program; stained eggs are being offered; and all sorts of eggs are being offered which will not command a quality price, whereas when the housewife pays 80 cents a dozen in Washington she is paying for quality eggs, and larger eggs.

Mr. GURNEY. There is some merit in what the Senator says, but that is not the full explanation.

Mr. ANDERSON. I agree with the Senator.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. I invite the attention of the Senator to subsection 201 (a) on page 3 of the report. It reads as follows:

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 percent nor less than 60 percent of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately 360,000,000 pounds of shorn wool.

I should like to ask the Senator from New Mexico if it is his impression that since the annual production of wool is now substantially lower than the 360,000,000 pounds referred to, the Secretary of Agriculture, in order to encourage production to reach that amount, would support wool at 90 percent of parity until the annual production of wool reaches that point.

Mr. ANDERSON. I should say that it is extremely likely and probable that the price of wool will be supported at 90 percent. That is my impression but it may not be the impression of the Secretary of Agriculture. I think he would find it necessary to support the price at 90 percent of parity in order to increase production from 260,000,000 pounds to 360,000,000 pounds.

Mr. JOHNSON of Texas. Would that include mohair?

Mr. ANDERSON. Yes.

Mr. JOHNSON of Texas. He would not be likely to discourage increased production by reducing the amount of the support.

Mr. ANDERSON. I do not think so.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SCHOEPPPEL. I invite the attention of the Senator to page 7 of the re-

port, section 408 (f), which reads as follows:

(f) Section 328 of such act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply."

This subsection relates to the corn acreage allotments. Can the Senator enlighten me as to what difference that is going to make with relation to the original bill which the Senate passed?

Mr. ANDERSON. I will say to the Senator from Kansas that that is language inserted by the staff in view of action taken by the committee, and was not language which we had before us at the time we were considering the conference report. If the Senator will give me a moment, I shall try to answer the question.

I think the answer is that this language submitted by the Department of Agriculture, and was included in the original bill. It does not represent any change in conference. The purpose is to have a figure which it is believed will represent a more proper reflection of total supply. I am willing to say to the Senator that that would not be a very satisfactory explanation to me. I am not very clear on it. It is not language with which I was familiar.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I think that, taking the corn amendments in the bill all together, we find that the result is to permit a total supply of roughly 4,200,000,000 bushels before quotas are called for, as compared with, roughly, 3,980,000,000 under title II of the 1948 act, and several hundred million bushels less than that under the old law. The purpose is to permit a much larger total supply of corn before quotas are called for. As to this particular provision, I do not know exactly what it means. We are given to understand that, taken all together, the corn amendments call for a total supply of more than 4,000,000,000 bushels of corn before the farmers are asked to vote on quotas.

Mr. SCHOEPEL. I was wondering if it was not designed to eliminate the acreage reduction factor.

Mr. ANDERSON. It is part of the language which was submitted by the Department, designed to change the very narrow limit under which it would have to operate in 1950, in the matter of corn quotas. I subscribe to what the able Senator from Vermont has said. The language, as we got it, was designed to shift the figure above 4,000,000,000 bushels, whereas previously the supply which might have required corn quotas was just under 4,000,000,000 bushels. We are very close to that figure. Since we have never had corn quotas, and probably never will, we thought it undesirable to leave the level at which corn quotas could have been proclaimed below 4,000,000,000 bushels. I am not able to relate each particular part of the language to every other part, but the amendments submitted by the Department of Agriculture and incorporated in the bill,

taken as a whole, do change the definition. There is another provision which changes the figure from 7 to 10 percent on certain items.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Let me make a slight correction. The amendments originally submitted by the Department would have left the figure of total supply, before calling for quotas, at 3,920,000,000. The committee itself changed the figure to 4,100,000,000, or approximately that. If there had been no change in the law, it would have been inevitable that the Secretary would have to call for a vote on corn quotas for 1950.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MAGNUSON. I regret the action of the conference in eliminating the amendment sponsored by myself, but I also appreciate the situation under which the conferees were working. I should like to ask the Senator from New Mexico a question.

I still strongly believe that so long as we have section 22 in the Agricultural Act we ought to protect it. If we do not intend to protect it, we ought to repeal it. I know that it could be protected by administrative action.

In view of the fact that attention was focused upon section 22, which was designed, as I believe, to protect agricultural production when it is under price support and control, and in view of the fact that section 22 remains the law of the land, I am wondering if the Senator from New Mexico agrees with me that, despite the fact that we did not make it mandatory in the bill, the State Department should have some notice of the intent of Congress in making future agreements. Should not the State Department have some notice that section 22 does exist and is the law of the land, and should be adhered to in making future agreements?

Mr. ANDERSON. Yes; I would agree with the Senator from Washington. I say to him that language very similar that contained in his amendment was carried in both the House version and the Senate version of the bill. So I would say that would be notice to the State Department that it might be possible to incorporate similar language in a separate bill at a later date, and therefore I am sure the State Department would be most anxious to make this a point of consideration.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MILLIKIN. I wonder whether the distinguished Senator is aware of the fact that more than 80 percent of the concessions operating against this country, recently made at the Annecy conference, were with respect to agricultural products.

Mr. ANDERSON. I am not aware of that, because for the last few weeks, I have been so busy receiving telegrams and sending telegrams dealing with the Farm Act, that I have gotten behind in

other matters. When I get through with this measure, I shall catch up on the matters occurring elsewhere in the world.

Mr. MILLIKIN. The Senator need not worry about that; he will be hearing about it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FULBRIGHT. Was any change made in the amendment relating to rice production?

Mr. ANDERSON. Yes, there was; it was one submitted by the distinguished Senator from Louisiana [Mr. ELLENDER], which he assured us had been cleared with all concerned, and therefore was in proper shape.

Mr. FULBRIGHT. I mean was the provision substantially the same?

Mr. ANDERSON. Yes, substantially the same.

Mr. FULBRIGHT. How about cottonseed?

Mr. ANDERSON. Cottonseed is not included in this bill. It was the belief of the conferees that the Department is now doing about all that can be expected in reference to cottonseed, and is doing it on a basis that it hopes it will be able to continue; it is doing it on the basis of storage in warehouses where the farmer can store his cottonseed individually, or else he can join a cooperative and in that way can have access to a warehouse where the cottonseed may be stored. I think it is much better for the Department to proceed in that way, rather than to try to peg the price of cottonseed by mandatory price support, inasmuch as in many respects it is in direct competition with soybeans, soybean oil, and other oils.

Mr. FULBRIGHT. It is included in the miscellaneous section is it?

Mr. ANDERSON. Yes.

Mr. FULBRIGHT. Are soybeans likewise in that section?

Mr. ANDERSON. Yes; and they are receiving protection at the present time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. With respect to the inquiry propounded by the Senator from Kansas, in respect to striking out "the reserve supply level," and inserting in lieu thereof "the normal supply," I am advised by a member of the staff that that simply conforms to the 1948 act, and there is doubt whether it will in any way affect either acreage allotments or quotas. I was interested in knowing whether it would. I am not too certain about it, but I do not believe it will; at least, I hope not.

Mr. President, I should like to call the attention of the Senator to section 201, paragraph (c), which reads as follows:

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

I wish to know whether the Senator will agree with me that it was not the intention of the conferees, under this language, in any way to guarantee loans to processors of milk and butterfat, rather than to producers of milk and butterfat themselves. In other words, I am thinking about ice-cream mix, as an example.

Mr. ANDERSON. I would say there is no question as to ice-cream mix. The distinguished Representative from Wisconsin, Mr. MURRAY, presented very appealingly the desire to have the words "and the products of such commodities" inserted in the first few lines of subsection (c).

As the Senator from Illinois will recall, the Senator from New Mexico resisted that as strenuously as he could, because of the possibility of questions arising about these products. But I believe it was the clear intent of the Congress, by means of the conferees, to make sure that cheese and products of that nature, which perhaps had not received proper attention from the Department of Agriculture, should be supported; and therefore I would say that butter, cheese, evaporated milk, and dried skim-milk powders would be supported, but certainly not ice cream or ice-cream mix.

Mr. LUCAS. Or any other byproduct which comes from butter or butterfat, and so forth. I think it is important to clear up that point, because, as the Senator knows, there are many byproducts of those two; and it will be an impossible administrative difficulty for the Department if we do not have explicit language set forth either in the bill or in the debate. It is an important point.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I wish to say that I think it is the position of the conferees that the commodities and the products the Senator from New Mexico has named should be supported.

I also think a strict, technical interpretation of this language would require milk shakes and oyster stews to be supported also; but of course there is no danger that that will be done, because I think all Senators know that recently the prices of milk shakes and oyster stews have been so far above parity that the law would not apply to them, anyway. It was not the intent of the committee that we should get down to any minor commodities processed from milk or cream.

Mr. ANDERSON. The Senator is completely correct. We were trying to make sure that cheese, dried skim-milk powder, butter, and items of that type should receive protection.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ANDERSON. I am glad to yield to the distinguished Senator from Missouri.

Mr. KEM. I should like to ask the distinguished Senator from New Mexico if both the Senate and the House versions of the bill contain language similar to the Magnuson amendment which was adopted by the Senate.

Mr. ANDERSON. Yes; and I have previously stated that to the Senator from Washington.

There was in the House version of the bill a provision which was not identical with the Magnuson amendment, but probably had a different meaning from the meaning of the Magnuson amendment. There was also in the Senate version of the bill, of course, as the distinguished Senator knows, language which was a revised version of the original Magnuson amendment.

Mr. KEM. But both of them legislated in the same field; did they not?

Mr. ANDERSON. They did.

Mr. KEM. I should like to ask the Senator from New Mexico if under those circumstances he feels it was within the proper province of the conferees to eliminate the subject matter entirely from the conference report.

Mr. ANDERSON. I may say to the Senator from Missouri that I was persuaded that if that language remained in the bill, the bill would not be signed. A great many Senators, on both sides of the aisle, had worked hard to draw up a bill which would be enacted into law; but the particular language we are now discussing seemed so contrary to the language of the law respecting reciprocal trade agreements that I was persuaded that if that language was included in the bill, the bill would not be enacted into law, because it would not be signed.

When the situation was explained to the conferees, both the conferees on the part of the House and those on the part of the Senate felt that was a matter which might be dealt with in separate legislation, and that we should proceed with this bill, but should not invite the possibility of causing trouble by that amendment.

Mr. KEM. I thank the Senator from New Mexico, but I am afraid I failed to make myself clear.

Mr. ANDERSON. I think I understand exactly what the Senator has in mind.

Mr. KEM. The question I am posing to the Senator is whether it was the duty and responsibility of the conferees to reconcile the language used by the two Houses of Congress, rather than to eliminate the subject matter entirely from the bill.

Mr. ANDERSON. I think when we start to reconcile the language used by the two Houses we get into a field that is somewhat complex in itself. I say to the Senator from Missouri that I believe we might have reconciled by means of acceptance of either the House language or the Senate language. But when we try to write into the bill something that is in between the two, I think that is in a field that is very difficult of treatment.

Mr. KEM. I recognize fully the difficulties confronted by the conferees, not only in that respect, but in many other respects, as presented by the bill. But I question whether it is the proper function of the conferees to eliminate the language entirely from the bill, rather than to accept either the House version or the Senate version or a combination or reconciliation of the two.

Mr. ANDERSON. I will say that the conferees felt it was within their rights to eliminate it, in view of the uncertainty which existed about it and their own conception of what it was.

Mr. KEM. Is that a consideration which should properly have moved the conferees in their consideration of that particular matter? Is it within their function to fail entirely to legislate in the matter, under those circumstances?

Mr. ANDERSON. I think it is not, if the identical provision is carried in both bills. We came to that very question, and we retained a provision that was identical in both bills.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LUCAS. I always dislike to disagree with my friend from New Mexico, because he is so well informed upon these matters, but I cannot agree with him that we were legislating in the same field. I think we were in two entirely different fields, and that is especially so if we read the amendment that came from the House, which is as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

That is the law at the present time. They merely repeated here the law as passed heretofore.

Mr. ANDERSON. Yes.

Mr. LUCAS. We did something entirely different, in the Magnuson amendment. We said:

No international agreement hereafter shall be entered into by the United States, or renewed, extended or allowed to extend beyond its permissible termination date in contravention of this section.

Meaning the particular section in question. In other words, the two are entirely different. The question was not even raised. In other words, as the Senator will recall, the House conferees in the beginning said, "No, we will not remove that section." It was one of the controversies that arose. They never contended at any time that we did not have any right to ask it, because we were legislating in the same field.

Mr. ANDERSON. I think that demonstrates the old statement that if a man who is not a lawyer tries to interpret the law, he has a fool for a client. I am not an international lawyer. I realize now that the section in the House bill was merely a repetition of title I of the Agricultural Act of 1948, and that it was in a completely separate field.

Mr. KEM. Mr. President, if the Senator will yield, permit me to say that in my judgment he is a very skillful lawyer in the field of agricultural law.

Mr. ANDERSON. I thank my distinguished friend.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. I understand the language in the House report contains this paragraph:

This title of the bill contains schedules which establish minimum levels of price supports in relation to supplies. In carrying out the mandatory price support program for the basic commodities, however, the Secretary is not bound to fix the price support at the minimum level presented by the schedule, nor shall he be bound in any respect by the facts set forth in section 401 (b), and is given full discretionary authority to

establish the support levels up to 90 percent of parity.

I am wondering whether there is a conflict between the Senate position and the House position, since the House report, I understand, contains this language. Does the Senator agree that the Secretary has full discretionary power to disregard the table, and support prices up to 90 percent of parity, if he deems it advisable?

Mr. ANDERSON. I think it is a matter that has been discussed between the distinguished Senator from Vermont and the Secretary of Agriculture before the Senate Committee on Agriculture and Forestry, and it has been the position of the Senator from Vermont—and he will correct me if I misstate his position—that the legislation of a year ago, of which he was the author, permitted the secretary to use any figure between the range there provided, not above 90 percent, and not below the minimum level established in the range. That language pretty largely was repeated by the Secretary of Agriculture when he presented his report to the President on the House bill, the Agricultural Act of 1948, in a letter dated some time in June, wherein he stated he had the full authority to use the upper or lower level of that range, up to 90 percent, and I say now he has a right to use anywhere between 90 percent and whatever would be carried in the table. I would think he had the obligation to explain why he used certain tables not called for by the act.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. YOUNG. In view of the fact that it is in the House report, not in the Senate report, will the Senator say there is no disagreement between the House position and the Senate position?

Mr. ANDERSON. No, I do not say there is no disagreement. I do not think the House conferees attempted to construe the law, but left it perhaps to the agency administering the law. I do not attempt to say there is no difference in the point of view. I say, however, that the language is so plain that I do not think it needs further amplification.

Mr. YOUNG. And the Secretary can support prices up to the 90 percent of parity. Is that correct?

Mr. ANDERSON. Absolutely. It is stated that if the producers themselves disapprove marketing quotas, he shall provide support—and that is why the exact words are used—"at a level not in excess of 90 percent * * * nor less than the amount provided in the tables." I do not see how it could be said in any plainer language.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. This is the same point I raised earlier in the discussion, namely, that the Secretary of Agriculture did have the authority to fix the support price at 90 percent, and I would refer the Senator to page 8, section 412, which reads as follows:

Determinations made by the Secretary under this act shall be final and conclusive.

Mr. ANDERSON. Yes.

Mr. WILLIAMS. So therefore unquestionably under this act he has the power to set the support price, the second year, and the third year, at 90 percent, if he wishes. The Secretary is already on record as favoring 90 percent support, therefore, if we endorse the conference report, to all intents and purposes we might just as well be endorsing the 90 percent support price as long as the present Secretary of Agriculture occupies his position.

Mr. ANDERSON. I think that is not the situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I may point out it is only within the last 4 months that the Secretary and those associated with him have indicated that they would be governed by the table and would give the farmers the lowest price fixed by the table. He is clearly on record, at various times, as recognizing the fact that he could operate in the range between the minimum level fixed by the table and 90 percent under the Agricultural Act of 1948. And the same would apply in the tables fixed in the Anderson bill. It is only recently that he has indicated he would fix the level of support at the minimum determined by the table in the law, and it was only day before yesterday that Frank Woolley, of the Commodity Credit Corporation, came before the conferees and intimated the same thing. In my opinion that is done simply to frighten the farmers of the country into thinking that they would get the lowest possible support, unless such a law were passed as the Secretary recommended to the Congress. I do not think that has been a very praiseworthy thing to do on the part of the Secretary or his associates, because as I shall prove conclusively in a few minutes when I get the floor, the Secretary knew the facts all the time, and Mr. Woolley knows the facts, and everybody in the Solicitor's Office knows the facts.

Mr. ANDERSON. Mr. President, I yield the floor.

Mr. AIKEN. Mr. President, I want to say merely a few words on the bill. First, I desire to commend the Senator from New Mexico for his statesmanlike approach to the agricultural legislation. He has approached this legislation in the interest of a healthy and prosperous agriculture, in the interest of the American public, and in the interest of a democratic form of government. Furthermore he has continued the practice which has been followed by the Senate Agricultural Committee for a long time, particularly during the last 2 years, of approaching the problems in a nonpartisan manner. It has been a privilege to cooperate with him in attempting to work out better agricultural legislation.

We should continually be working to make our laws better and to make our national economy better.

The Senator from New Mexico has maintained dignity through all the efforts to promote good agricultural legislation. He maintained that dignity even in the conference committee meetings, in spite

of great and ample provocation to do otherwise.

After the conference report itself, we had much the same trouble we had last year in the conference with the House. It will be recalled that we reached an agreement only in the early hours of the morning, near the close of the session in June 1948. At that time the House conferees had no bill of their own. All they had was a 1-year extension of high wartime supports for agricultural commodities. It was only at the last minute that the majority of the House conferees agreed to the bill which was finally passed, which would extend the high wartime supports for 1 year and provide that the long-range bill of the Senate should take effect on January 1, 1950. As a matter of fact, the present chairman of the House committee, Representative COOLEY, and his ranking member, Representative PACÉ, did not sign the conference report last year, even though failure to reach an agreement meant going back to 52 to 75 percent of parity. It looked for a while as if we had met a similar impasse this year. We did, however, finally come out of it with a conference report which I do not think suits anyone exactly, but which all the members of the conference signed. The House again stood for an extension for 1 year more of high wartime supports, but wanted to repeal all the legislation enacted last year, which represented 7 months' work of the Congress.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. I think it is important for the Record to show that they not only came in with the Gore bill, but the first proposition they submitted to us was that we go along for four additional years, in other words, provide a 5-year program.

Mr. AIKEN. That was their proposition, although their bill called for only 1 year.

Mr. LUCAS. That is correct. They asked for five times as much as their bill called for. That was the first proposition they made.

Mr. AIKEN. It was simply an impossibility to go along with their proposition. So we spent several days and had some rather heated sessions before the conference report was finally agreed to.

I might point out, Mr. President, that it was yielding to the insistence of the House on continuing the highest wartime support for 1 year more, or for the crop year 1949, which has got us into the position which we now occupy, with the maximum borrowing authority of the Commodity Credit Corporation of \$4,750,000,000 so nearly exhausted that by the end of this year it will probably be nonexistent.

As to the bill which the conference committee reported, so far as I was concerned, it was a borderline bill. I had a little difficulty in determining whether the bad features of it were offset by the good features. I finally decided it contained more good than bad features, so I signed the report.

The bad things about the bill are, first, a continuation of 90 percent parity sup-

port for all basic farm commodities for the crop year 1950. That may not mean very much in dollars and cents this year. It does mean, however, that the basic crops will go under strict controls and the farmers may have to remain under Government controls and penalties for a long time to come.

The next bad feature of the bill is the provision which permits the use of two parity formulas for a period of 4 years. That can get us into trouble and be difficult of application. As an example, cotton fiber is a basic commodity. It will be under the old parity formula. Cottonseed is a nonbasic commodity, and will be under the new parity formula which increases its value approximately 20 percent over the old parity formula. The end result of using those two formulas will be that the support for cotton next year will be higher than the highest wartime support we ever had, in spite of the fact that we shall have 8,000,000 or 9,000,000 bales of cotton on hand, which we do not want and which we will not know what to do with. That is one of the provisions of the conference report which I do not like and which I opposed as long as it was worthwhile to oppose it.

The third provision of the conference report which is objectionable has been already mentioned by the Senator from Delaware [Mr. WILLIAMS]. That is the one which gives the Secretary of Agriculture the right to distribute surplus farm commodities which are in danger of deteriorating or spoiling to private welfare organizations for the assistance of needy persons within the United States. There are great potential political possibilities in that provision, giving the Secretary of Agriculture the power to determine what is a private welfare organization and which private welfare organization shall receive surplus materials.

Those are the bad things about the bill.

The good things about the bill are these: It puts the non-basic commodities in a much better relationship with agriculture as a whole and with the basic commodities than has ever before been the case. It makes mandatory support for dairy products. It makes mandatory support for certain other non-basic commodities, such as potatoes, wool, mohair, honey, tung nuts—I do not recall whether there are any others. It makes mandatory, if funds are available, support for other non-basic commodities for which there are marketing agreements in effect. It specifies that Section 32 funds shall be used principally for the support of perishable non-basic commodities.

That is one of the strong points of the bill, because it will lend encouragement to the farmers of the country to produce commodities other than the six basic commodities of which we already have too much, and it will help to balance our national economy. I think that is the overriding advantage brought out by the bill.

I felt that the good points outweighed the three bad points to which I have called attention, and I supported the conference report.

I might as well be frank about it, Mr. President—I supported it partly because

of the great effort which the Senator from New Mexico [Mr. ANDERSON] made to put agricultural legislation on a sound, permanent, and even keel. I thought he deserved support.

That is all I have to say, Mr. President, regarding the bill. There are two or three other things I should like to clear up for the RECORD before I take my seat.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TOBEY. Mr. President, the Senator has just said, in his own way, "I might as well be frank about it." May I comment to the Senate and to my colleague that that is his outstanding characteristic, his frankness and candor and rugged honesty. He never needs to interpolate that statement. Everything he says is said in frankness and sincerity.

Mr. AIKEN. I thank the Senator from New Hampshire.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I should like to say, if I may, that I desire to join the distinguished Senator from Vermont in his expression with reference to the Senator from New Mexico, but I wish to make it very sure that the Senator from Vermont likewise gets a liberal expression of commendation and of gratitude on the part of the junior Senator from Florida, in which I am sure all other Members of the Senate join, for the fine spirit which he has manifested and the hard work which he has done in attempting to bring forth a good bill. He is entitled to real credit as a contributing factor.

I particularly appreciate what the Senator from Vermont has said with reference to what he regards as the strongest point in the bill, in which I concur, namely, the making available of Section 32 funds, to give the first recognition that has been given in any price-support legislation ever passed by the Congress to the producers of fruits and vegetables and other perishable commodities, who hitherto have been the forgotten segments of agriculture, and who through that provision of the bill will for the first time have some assurance that assets of the Nation will be used to give them and their products some measure of worth-while support as against disaster by way of heavy excesses in surpluses, or from bad marketing conditions.

I wish to express my great appreciation to the Senator from Vermont and to the Senator from New Mexico.

Mr. AIKEN. Mr. President, I thank my colleague from Florida and able fellow committeeman for his remarks.

Mr. CONNALLY. Mr. President—

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Texas?

Mr. AIKEN. I gladly yield to more tributes. [Laughter.]

The VICE PRESIDENT. The Chair has no way of knowing what is in the mind of the Senator from Texas.

Mr. AIKEN. That is a problem we have in the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield to the Senator from New Mexico.

Mr. ANDERSON. I do not wish to delay the vote on the conference report, but if I tried to express my estimation of the fine Senator from Vermont, we would not get through with the bill until sometime late this evening. Suffice it to say, there would have been no bill without the fine cooperative spirit he has shown. He has demonstrated it again by his attitude here today. I hope the RECORD will be filled many times in the future with my expressions of esteem for the Senator from Vermont, and his fine qualities demonstrated on this floor and elsewhere.

Mr. CONNALLY rose.

Mr. AIKEN. I am not sure for what purpose the Senator rises.

Mr. CONNALLY. It was not in connection with the pending report. I was going to ask permission to present a report; but I do not wish to interrupt this love feast.

Mr. AIKEN. I should like to have 5 minutes before I yield the floor, and I think we will then probably be ready for a vote on the bill.

There has been much misunderstanding about the legislation which was enacted last year, and there has been much misunderstanding as to where the President and his chief officials stood on the legislation which was enacted last year. I have heard several times recently that the President campaigned on a 90-percent basis last year. To the best of my knowledge he never made any speech in which he indicated a preference for the 90-percent support basis. To the best of my knowledge he vigorously supported the legislation which was proposed by the Senate Committee on Agriculture and Forestry last year, and I ask unanimous consent to insert in the RECORD, as a part of my remarks, a news story which appeared in the New York Times on Tuesday, June 15, 1948, following the President's address in Los Angeles on the evening of June 14. I understand this was an extemporaneous address, but it was reported by Anthony Leviero, of the New York Times, according to this excerpt which I should like to insert in the RECORD. I call attention particularly to this portion of the article:

Besides prices, he said, Congress ought to act on the Taft-Ellender-Wagner bill, restore the appropriate cuts which he said had virtually destroyed the Department of Labor, enlarge the scope of social-security legislation, pass a health insurance bill, a Federal aid to education program, a Federal power and irrigation project, and his agricultural program which he said was adequately covered in the pending Aiken bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TRUMAN DEMANDS CONGRESS CONTINUE SESSION AND PASS PRICE CONTROL, SEVEN OTHER BILLS—HOUSING NEEDS CITED—FARM, EDUCATION, HEALTH, SOCIAL SECURITY ACTION ALSO TERMED VITAL

(By Anthony Leviero)

LOS ANGELES, June 14.—President Truman declared today that price controls should be

in effect "right now" and demanded eleventh hour action by Congress on seven other major issues on which he said it had been derelict.

This was the first time that the Chief Executive flatly asserted that price controls should actually be in effect, rather than in a standby or reserve category.

He returned to his assaults on Congress, but with a slightly more restrained tone, before an audience of 1,000 guests of the Greater Los Angeles Press Club. The last of the five scheduled major speeches of his present tour, the address was extemporaneous.

Congress is due to adjourn next Saturday. The Chief Executive insisted that in his belief it had enough time to act on the eight issues he discussed. He added that "if they haven't time, they ought to take it."

DECRIES LABOR DEPARTMENT CUTS

Besides prices, he said, Congress ought to act on the Taft-Ellender-Wagner bill, restore the appropriation cuts which he said had virtually destroyed the Department of Labor, enlarge the scope of Social Security legislation, pass a health insurance bill, a Federal aid to education program, a Federal power and irrigation project, and his agricultural program which he said was adequately covered in the pending Aiken bill.

Mr. AIKEN. Mr. President, in case the President is not quite high enough authority, I should like to read a brief history of the 1948 legislation as printed in document No. 203 of the Eightieth Congress, second session. I am sure there will be no question as to the authority which I now quote, because it was no less a person than the Hon. Alben W. Barkley, then United States Senator from Kentucky, the present Vice President, for whom we have the greatest respect. I should like to read his report on the bill, and make full allowances for any political implications which might be submerged in it somewhere, because I would be the last to deny the genial Vice President the joy of inserting political implications in a statement.

The VICE PRESIDENT. If there were such implications, they were not submerged. [Laughter.]

Mr. AIKEN. Mr. President, I should like to read the story of the 1948 act as recorded by the senior Senator from Kentucky, who was majority leader at that time, beginning on page 30 of Senate Document 203:

More than a year ago the President and the Secretary of Agriculture outlined a peace-time farm plan.

The important principle of the program was: American agriculture should be keyed to a policy of abundance. Abundant production would aid everyone: the farmer, the worker, the businessman, the consumer.

The President has listed the details of the Democratic farm program many times in recent months. He sent this four-point agricultural plan to Congress in May:

"First, the Congress should enact legislation providing on a permanent basis for a system of flexible price supports for agricultural commodities.

"Second, I urge that the Congress give full support to the continuance and expansion of our program of soil conservation.

"Third, I recommend that the Congress continue and strengthen programs to assure adequate consumption of agricultural products.

"Fourth, we need to consider other means for assisting farmers to meet their special problems. For example, we must support and protect farm cooperatives. We must continue to work toward a sound system of crop insurance."

The President's program would modernize the agricultural plans that have grown through the years. Many aspects of the farm program need modernizing. For instance, the present parity formula is based on 1909-14 farm prices and expenses. Since then the tractor and other machinery have become commonplace on most farms. Their impact on farm prices and expenses should be considered.

Both House and Senate Agriculture Committees spent many days considering a modern farm program. Last fall members of the committees toured the country and talked to farmers in the fields. Page after page of committee testimony showed the need for a 1948, not a 1914 or a 1933, farm program.

But floor action on a new farm program was delayed for weeks. Finally the House acted June 12. But its farm bill was disappointing.

The measure passed by the House merely extended present farm legislation until June 30, 1950. The present laws are good, but new, modern ones would have been better.

The House action was significant in view of the 1944 Republican Party platform that condemned the Democratic farm program. The platform called it confused, unreliable, impractical. Thus they voted "me too" on the Democratic program, now that the wisdom of such a plan was proved. Unfortunately, they did not vote for continued progress.

When President Truman announced in May that he was going to send his formal request for a modernized farm program to Congress in a few days, the Senate Agriculture and Forestry Committee got busy.

I thought we had been busy for 6 months; but we will let that go. The statement continues:

The committee reported its long-range farm program May 17, less than a week after the President sent his special message on farm problems to Congress.

The President had succeeded in prodding the Senate committee into action. And the Senate committee's bill was almost a carbon copy of the sensible farm program proposed by the President.

The Senate Agriculture and Forestry Committee reported a realistic, modern farm bill early in the second session of Congress. Some of the high lights of the measure were:

1. Abundant production would be assured.
2. Agricultural income would be maintained on a flexible parity base.
3. Marketing procedures would be improved.
4. Production quotas, marketing agreements, and crop loans would be worked out.
5. Conservation practices would be encouraged.
6. Farm cooperatives would be strengthened.

These provisions indicated that the Senate committee had closely followed President Truman's recommendations.

The Senate passed this farm program that followed most of President Truman's suggestions. But the House refused to go along with the Senate in enacting a realistic farm program.

The result was that the farm legislation finally passed by Congress merely extended existing laws until June 30, 1950, and postponed a long-range farm program until that date.

Mr. President, that history is so accurate that I would be willing to let the Vice President serve as historian for this august body, provided that all the other records would be equally accurate, and I am sure they would be.

The last insertion I wish to make in the RECORD is a letter which was sent by the Secretary of Agriculture, Charles F. Brannan, to Hon. James E. Webb, Direc-

tor, Bureau of the Budget, under date of June 25, 1948. Secretary Brannan reported on the agricultural bill, which had then been passed by the Congress. I ask unanimous consent that the letter may be inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 25, 1948.

Hon. JAMES E. WEBB,

Director, Bureau of the Budget.

DEAR MR. WEBB: In reply to the request of your office the following report is submitted on the enrolled enactment, H. R. 6248, to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities, to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937, and for other purposes.

The bill combines the temporary extension of price-support provisions of H. R. 6248 as passed by the House of Representatives and the long-range price-support provisions of S. 2318 as passed by the Senate. In title I this bill extends existing price-support legislation to basic commodities marketed before June 30, 1950, and with certain important modifications to Steagall commodities marketed before January 1, 1950. Beyond these dates it enacts the parity and price-support provisions of the Aiken bill as title II and title III.

More specifically, title I of the bill provides a 90 percent of parity support for cooperating producers of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1950. It also provides support at 90 percent of parity or comparable prices for milk and its products, hogs, chickens, and eggs marketed before January 1, 1950, and Irish potatoes harvested before January 1, 1949. Prices of other Steagall commodities of the mandatory group are to be supported until January 1950 at not less than 60 percent of parity or comparable price, nor more, than the level at which the commodity was supported in 1948.

The price of wool is to be supported at not less than the 1946 average farm price until June 30, 1950.

Section 4 (b) of the Steagall amendment, which applies to commodities for which price support is permissive rather than mandatory, is extended to January 1, 1950.

In addition, title I revises section 22 of the Agricultural Adjustment Act to make possible the application of import quotas or fees on any agricultural commodity if such imports may jeopardize the effectiveness of price-support operations.

Title II of the bill amends the parity price and income formulas, changes the definitions of carry-over, normal supply, and total supply for basic commodities which had been contained in the Agricultural Adjustment Act of 1938, and provides for a new set of support-price schedules and conditions for the period beginning January 1, 1950.

The new parity-price formula keeps the same relationship between agricultural prices and industrial prices that existed during 1910 to 1914. The relationship among individual parity prices, however, is based on the actual average prices during the preceding 10 years. The new parity prices will generally be higher for livestock and livestock products, but lower on field crops.

Title II provides a schedule of minimum price supports for the basic commodities with a moving floor ranging from 60 percent of parity when the total supply is more than 130 percent of the normal supply up to 90 percent of parity when the total supply is less than 70 percent of the normal supply. Whenever acreage allotments or marketing quotas are in effect, the minimum support price provided in the schedule is automati-

cally increased by 20 percent, but the support shall not exceed 90 percent of parity. It should be pointed out that this schedule of price supports is a minimum level, and that the Secretary has authority to support prices of these commodities up to 90 percent of parity.

An exception is made in the case of tobacco, which is to be supported at 90 percent of parity in any year in which marketing quotas are in effect.

In the event that quotas on any basic commodity are disapproved by more than one-third of the affected producers voting in a referendum, the support level is set at 50 percent of parity for the commodity voted on.

The Secretary is authorized to support prices of nonbasic commodities at any level up to 90 percent of parity, taking into consideration the ability and willingness of producers to keep supplies in line with demand and other such factors. Storable nonbasic commodities may be supported with the aid of regular Commodity Credit Corporation funds. Nonstorable nonbasic commodities can be supported only by means of section 32 funds and the Commodity Credit Corporation reserve for the postwar price support of agriculture.

However, regular funds of the Corporation may be used to support the prices of nonstorable nonbasic commodities through operations with respect to storable commodities processed from such commodities.

In addition, the Secretary is directed to support the price of wool at such a level not less than 60 percent or more than 90 percent of parity as he may consider necessary to encourage an annual production of 360,000,000 pounds of shorn wool, and to support the price of Irish potatoes at not less than 60 percent nor more than 90 percent of parity with Commodity Credit Corporation funds.

The Commodity Credit Corporation is directed not to sell any farm commodity owned or controlled by it at such levels as would substantially impair the effectiveness of current price support operations. Certain exceptions are provided to this directive.

Title II provides conditions which must exist before marketing quotas may be proclaimed. Marketing quotas for corn, wheat, cotton, and rice may be proclaimed when it is estimated that the total supply for the marketing year in question will exceed the normal supply by more than 20 percent (8 percent in the case of cotton) or when the average farm price for three successive months of the preceding marketing year has been 66 percent of parity or less provided the supply is not less than the normal supply. In every year, the Secretary is to proclaim a marketing quota for each kind of tobacco for which a marketing quota was proclaimed for the immediately preceding marketing year.

There are several provisions which we consider objectionable. We object to the provision which gives special treatment to certain commodities such as those which virtually assure a mandatory price support of 90 percent of parity for tobacco and wool for at least several years. We object, even though the provisions apply only to 1949, to the mandatory 90 percent of parity or comparable price for hogs, chickens, eggs, and milk and its products.

Title II contains undesirable provisions requiring the same price support operations for broilers, ducks, ducklings, and other poultry that may be undertaken with respect to either turkeys or chickens.

The provisions requiring 50 percent of parity price support for basic commodities, even though marketing quotas have been disapproved, may very well lead to serious problems at some future date for some of the basic commodities.

The provision for carrying over section 32 funds up to a minimum of \$300,000,000 adds

needed flexibility for the wise use of these funds; however, it is undesirable that the effective date of this provision is delayed until June 30, 1950. The conditions for establishing price support levels higher than 90 percent of parity are so restrictive that the Department may find it impossible to stimulate production of crops in the national interest such as it did in the case of flax.

Notwithstanding these objections, we recommend that the President approve the bill.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

Mr. AIKEN. Mr. President, I call particular attention to two sentences of the Secretary's report to the Bureau of the Budget:

The Secretary is authorized to support prices of nonbasic commodities at any level up to 90 percent of parity, taking into consideration the ability and willingness of producers to keep supplies in line with demand and other such factors.

There can no longer be any doubt that the Secretary knew that he had the right to fix the level of support for any commodity anywhere between the minimum provided for by the formula in the act and 90 percent of parity.

I wish to read one other paragraph from the Secretary's letter to the Bureau of the Budget:

There are several provisions which we consider objectionable. We object to the provision which gives special treatment to certain commodities such as those which virtually assure a mandatory price support of 90 percent of parity for tobacco and wool for at least several years. We object, even though the provisions apply only to 1949, to the mandatory 90 percent of parity or comparable price for hogs, chickens, eggs, and milk and its products.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SCHOEPEL. In view of the statement the distinguished Senator has just read, I wish to ask him if he can enlighten us why the price of corn dropped in June, or just before election day, to the low figure it did?

Mr. AIKEN. No; I cannot enlighten the Senator from Kansas on that point. Perhaps the Secretary of Agriculture could do that.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. I directed the same question to the Department, and the information I received was that the Secretary withdrew from the market during that period.

Mr. AIKEN. Mr. President, I shall conclude with this statement.

The American farmer is being put in a bad light by some of his self-appointed champions.

He is not the greedy animal which their actions might indicate.

He believes in government by the people. He believes in a policy of live and let live. He values his own freedom above all else. He is not asking to gorge himself at the Public Treasury at the expense of others.

No one can tell me, Mr. President, that the farmers of Kansas, North Carolina, or any other State are desirous of becoming wards of the Government, or ex-

changing their precious heritage of freedom for a Government hand-out.

They are Americans first, last, and all the time and resent the implication that they would sell their birthright for a mess of pottage.

Mr. President, I should like to have inserted in the RECORD in connection with my remarks excerpts from the testimony of the witnesses who appeared before the Republican meeting held at Sioux City, Iowa, last month.

It has been freely reported that most of the witnesses who appeared at that conference said they wanted 90 percent support. I have made a careful check of the transcript of the testimony of all the witnesses who testified at that meeting. I find that only four of the farmers testified in favor of 90-percent support. The Farmers Union testified in favor of 100-percent support. All the other witnesses who brought up the question of the level of price supports supported the flexible-support levels.

Mr. President, I ask unanimous consent that excerpts from the testimony of the witnesses who testified at the Sioux City Conference, including both those who favored 90 percent and those who did not, may be printed in the RECORD at this point in connection with my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TESTIMONY AT SIOUX CITY CONFERENCE, SEPTEMBER 23-24, 1949

IN FAVOR OF FLEXIBLE SUPPORTS

We believe that price supports should be flexible, to go down when supplies are high and go up when supplies are low, with a minimum price established by law, and the Secretary of Agriculture having authority to set support prices from this minimum up. (Bruce Haddock, Hornick, Iowa.)

I am firmly of the belief at this time that what we need is a flexible program, one that will adjust itself to quite an extent, and when we talk about flexible supports in a flexible program, we cannot find all the answers, I don't think, shouldn't expect all the answers in a farm program of that type. But to me it is a much more stable program, one that is going to mean a lot more, gain a lot more respect from all of our economy, than a rigid program with rigid supports, which was the program that was in order during the war, when we needed a lot of production and need it in a hurry. I don't think we in agriculture, as the minority group which we are, about 18 percent, can expect the balance of the economy to accept these rigid programs that we had during the war, and besides that our economy cannot fulfill all those things that are promised us with the rigid controls, rigid support prices. (LeRoy Getting, Sanborn, Iowa.)

Benefit payments, except in cases of emergencies, are not, to my way of thinking, anything more than a dole. You take away the initiative of the individual farmer, you have nothing left but a ward of the government. (Walter Bussey, Tabor, South Dakota.)

I was chairman of the subcommittee on agriculture that wrote the farm plank at the Philadelphia convention, and may I call to your attention that at the Philadelphia convention the Republicans endorsed a flexible support price program on a long range, long-term basis, and may I also call to your attention that at that convention farm organizations of all kinds and descriptions, most of them represented here today, endorsed that same flexible support program, and that in-

cludes the Secretary of Agriculture, Mr. Brannan, at one time, who also endorsed that type of a program. Ancher Nelson, Member, Minnesota Legislature.

We do not want to be put in the position of seeking handouts. (Ancher Nelson.)

Speaking for the Minnesota delegation, and there are about 35 or 40 people here, we are united in our support of the recommendation and endorsement of the Republican platform, which supported flexible support prices. We don't say exactly where they should be, we think the Congress is smart enough to figure that out. But we want a sound program, we want one of flexible support prices, which will bring into operation the law of supply and demand. (Ancher Nelson, member, Minnesota Legislature.)

Now, the Hope-Aiken Act, I feel that that act is O. K. in theory and can work if the Republican Party or the party in power is sincere in their efforts to make it work. (Marvin Huckle, Lidgerwood, N. Dak.)

If we are to have a farm program it must be flexible, and any program that is inaugurated must be a program for the most of the people. We can't have a program that will work for just a few people. I am firmly convinced of that. (Howard Waters, Southeast, Iowa.)

I don't favor the Brannan plan and as long as we are not going to be able to get along without the politicians anyway, I am perfectly satisfied with the Aiken plan. (Sam Rymer.)

If this income is to be maintained, we must obtain it from the commodity and not the United States Treasury. (E. A. Johnson, Hawarden, Iowa.)

I believe a long-range program should have, as one of its basic aims, to increase the livestock units per capita in this country. That is the kind of a program that will appeal not only to the farmer, but to every person with a digestive system, and I might remind you that every voter has one. I realize that there are still going to be surpluses and that we are going to need flexible supports. I say let these be low enough so that the inefficient farmer is going to lose money. (Gerald Kitson, Rockford, Mich.)

The Brannan plan is democracy in reverse; the Hope-Aiken law was a step in the right direction, the Republican Party let their own farm bill down, and lost the election. I don't believe that the farmers understood about the Hope-Aiken bill, they thought that was a Democratic farm bill. I believe if we had come out and explained a little bit about the Hope-Aiken bill, and a few of the guarantees, that the farmers would have voted differently than what they did. (Adolph Winter, Weld County, Colo.)

Representative HOEVEN. Do I understand you are representing the Farmers Union of Nebraska?

Mr. MILLIUS. That is correct, sir.

Representative HOEVEN. And the Farmers Union organization in Nebraska is opposed to the Brannan plan?

Mr. MILLIUS. I can't find any sentiment in our people in Nebraska for it.

There seems to be a general agreement that a Government price-support program of some kind is needed. As an example of the sentiment, of 114 farmers who expressed their views at our State-wide meeting, 111—or all but 3 of them—favored some price supports. By an even more overwhelming margin—116 to 1—those farmers said they thought Government controls should be kept at a minimum. The consensus at a meeting held in Henry County produced the same results. But I would like to point out that a poll taken at the Ames meeting showed 94 in favor of a guaranteed floor under farm prices, 13 in favor of a Government guarantee of farm prices at 100 percent of parity and only 4 favored a 90-percent parity program. Nearly 200 farmers attended a simi-

lar meeting in Mount Pleasant and the consensus seemed to be for a minimum floor rather than for 100 percent of parity. We cannot and should not try to out-promise or to out-lie any other political party. In my opinion, the Republicans lost a lot of Middle West farm votes last fall because of half truths and in some cases downright lies regarding the grain storage situation put out by the opposition. They would have the American people believe that we Republicans are not interested in the well-being of the farmers; by a reasonable, sensible, educational campaign let's show this up for the bunk that it is. (H. L. McKenzie, St. Ansgar, Mitchell County, Iowa.)

I believe that crops should not be frozen at 100 percent of parity, but rather that the support be shifted as demand and supply shift. However, for our own protection we cannot suggest that prices be allowed to fall below 60 percent of parity. (David Gilkeson, Brookings County, S. Dak.)

In Kansas, in the group that came with me, we are utterly opposed to the Brannan plan. (Guy Schultz, Lawrence, Kans.)

The flexible program that has been presented by many other speakers and is in the Hope-Aiken bill is pretty much the plan that we are supporting. Mr. SHORT, in his presentation yesterday, expressed the opinion generally of our organization in general legislative policies. (Warren Fuqua, legislative representative, Missouri Farm Bureau Federation, Columbia, Mo.)

As to the Gore bill, which I believe is the 90 percent of parity, 90 percent of unconditional support regardless of production, the majority of the farmers thought that that would be suicidal for the Government to support unlimited supply. As to the Aiken bill, most of them are unanimous in their support, with certain modification. (Miss Wilma Dixon, Republican committee woman, Crittenden County, Ark.)

The farmers * * * are not pleased at the necessity for making an apparent choice between whether or not they shall live in a regimented and regulated economy which must, of necessity, become more intense as time goes on, and as it has in England, or the necessity of having a repeat of 1932 and 1933. Now, they understand very well that in this dilemma the Democrats have made their choice. They also, gentlemen, understand that the Hope-Aiken formula, which is so carefully worked out, is a well constructed and intelligent compromise between those two alternatives. (R. W. Fisher, Monona County, Iowa.)

But we do not have to have 100 percent of parity. The farmers must know that they are on some sound basis, and when you gentlemen get this sound basis down, advertise it and make it pat, don't be changing, and you can win an election. (Edwin Kent, Juniata, Nebr.)

For the present they feel that they should have a parity guaranty. I personally believe that that parity should be flexible. I think it should be flexible enough to guarantee and stimulate the individual, and not be something that we would look forward to as a guarantee. I don't think the farmer can expect that. (Lloyd E. Davis, farm manager, Morrisonville, Ill.)

We are definitely opposed to the Brannan plan, and to the principle of the so-called "Trial Run." (C. B. Watson, president, Corn Belt Livestock Feeders Association, DeKalb County, Ill.)

Agriculture wants a fair price for its product in the market place of the Nation and support prices for farm products is just as essential to agriculture as minimum wages are for labor. Support prices for agriculture should not be top prices and wages paid on Government-made relief work should not be top wages. (James Wahl, representing Iowa Farmers Union.)

I would say regarding our present farm program that you are interested in, I would say most of our people are for the Anderson plan in some way or, as you may call it, the Aiken bill, amended Aiken bill, and I would say that in doing this, in passing this, I would suggest that it should be so arranged that the scale couldn't fall below 75 percent of parity. (J. B. Hartz, Murdo, S. Dak.)

The price-support level should be only high enough to prevent disastrously low prices and the economic chaos that result therefrom. Let's accept minimum support prices at, say, 70 percent of parity rather than bringing on ourselves the rigid controls as 100 percent of parity price guarantees would necessitate. We do not ask for security at the cost of the loss of freedom to plan and manage our own operations. (David Patterson, Lake Preston, S. Dak.)

Our neighbors were not in favor of the Brannan plan. They are not in favor of the socialized-medicine system, and they would like to see if our program is carried on as it now stands that it would be on the flexible support basis working downward from the high level. (Floyd Blades, Milford, Iowa.)

IN FAVOR OF 90 PERCENT AND ABOVE RIGID SUPPORTS

First, a long-range farm program; incorporated in this should be a true 100-percent-parity income based on the 1909 to 1914 base period. (Charles Jones, Davison County, S. Dak.)

The farm commodities used for domestic consumption should have a floor price of not less than 90 percent of parity, allowing a free market above 90 percent. (Einar Madsen, Minot, N. Dak.)

The farmer is a manufacturer and surely is entitled to the same stabilization of price which the grass-roots bill proposed by providing full parity at all times. (A. E. Wickett, Laurel, Nebr.)

Storage should be on the farm and commodity loans should be made at not less than 90 percent of parity; or in other words, a floor of 90 percent of parity should be placed on all basic commodities. (Charles Bruett.)

Mr. SALTONSTALL. Mr. President, I rise to say that with a great deal of regret I shall vote against the conference report. I say I shall do so with regret because I know the hard work the Senator from New Mexico [Mr. ANDERSON], the Senator from Vermont [Mr. AIKEN] and their associates have put into the preparation of the bill and the conference report.

I shall vote against the report, sir, because I believe the taxpayer and the consumer—the consumer primarily—are the forgotten men in this endeavor.

I realize that we must have and should have some form of flexible support for our farm products. We should have a flexible support that endeavors to keep production within bounds and keep prices at a fair level.

I come from what is primarily an industrial section, the major portion of whose population are consumers of farm products. As I understand the bill, and from the information I can obtain and assimilate, prices for foods will not diminish very much, if at all, under the terms of the bill. It is expected that the passage of the bill will place a considerable drain upon the taxpayers for supporting and buying substantial quantities of farm products.

New England, the section of the country, from which I come, contains many farms. However, the leaders of the farm groups, as well as I can determine from

the information I have received from them, are opposed to the bill in its present form.

The bill is essentially one for the benefit of producers of food. They are the ones who are interested in it. They are the ones who should have some form of flexible support. I do not believe that in the long run the producers of our food products are going to be benefited if the consumers and if the taxpayers, who are all of us, are substantially hit by a bill which is for the sole benefit of the producers.

Very briefly, Mr. President, so as not to take further time of the Senate, I expect to vote against the conference report for the reason I have very briefly stated.

Mr. IVES. Mr. President, at the outset of my remarks, which I shall endeavor to make very brief, I desire to quote from an editorial appearing in this morning's issue of the New York Times. The editorial is entitled "A Costly 'Compromise'." It reads as follows:

A COSTLY "COMPROMISE"

Senate and House farm bill conferees agreed yesterday on what they are pleased to refer to as compromise legislation.

It is estimated that by the end of the present fiscal year the Government will have had to take title to more than \$2,000,000,000 worth of surplus farm commodities. In the face of this state of affairs; in the face of the admonitions of the Nation's principal farm organizations, and in flat violation of the platform pledge of the Democratic Party, these conferees have agreed to go along, to all intents and purposes, with the very policy that has produced the present glut of farm products. Flexible price supports are promised, it is true, for sometime in the early future, but even if one could accept that promise at its face value—which in view of the postwar record, one obviously cannot—it would hardly help in the present mounting emergency. The conferees' solution of that problem is to continue the wartime policy under which farmers are encouraged to produce, not for the market but for what they can get from the Government for their products.

In only one sense can this measure be described as a compromise. It is a compromise in the sense that the consumer, the taxpayer, and in the end the farmer himself, all stand to share alike. They stand to share alike because, as a result of this act of Senate and House conferees—openly encouraged by the administration—they all stand to lose, and to lose heavily.

Mr. President, as I have stated on the floor during the course of the debate on the farm legislation, I, too, represent farmers. To the best of my knowledge, New York State ranks seventh in agriculture in the United States. I represent a great many consumers, as everyone knows. I am trying to reach a decision and to be in favor of legislation which is fair to all concerned, both producers and consumers.

Mr. President, there is not a Member of the Senate who believes that this bill is a fair bill. We all know that it is not. There is not a Member of the Senate who does not know that it has serious defects. They have been pointed out in the course of the debate which has already taken place. Furthermore, there is not a

Member of the Senate who does not know that it is not necessary at this time to enact any kind of farm legislation at all. We have a perfectly good statute, the so-called Aiken law, which has never been allowed to go into effect.

It seems to me, Mr. President, that the thing for us to do at this time, above all others, rather than to agree upon a bill which is so obviously imperfect, is to allow the Aiken law to become effective.

Mr. President, I fully recognize that the Aiken law may not be perfect; and I fully recognize, moreover, that it may be utterly impossible, and probably would be, to draft a perfect piece of farm legislation at this time. For decades we have been endeavoring to do that very thing. But let me point out that only by the method of trial and error, with politics thrown out the window, can we ever reach any kind of sound decision or determination in the form of legislation in this field. For this reason I say that the bill before us should be allowed to die. There could be no action upon it. The Aiken law should be allowed to become effective.

Mr. President, I would be strongly in favor of this conference report or any other bill of this type, for that matter, if it were only to provide high prices for the producers. But, Mr. President, much as this bill may conform to that requirement, there is much more to it than that, because if that were all there were to it, our problem would be a very simple one. This bill may provide high prices for producers. That is expected. That is its purpose. But at the same time it means ever higher prices for consumers. It means ever higher governmental expenditures.

I listened with rapt attention the other night when the distinguished senior Senator from Illinois [Mr. Lucas], speaking on the amendment which had been adopted at that time, which made 90 percent of parity a fixed feature in the farm bill, eloquently turned to us and challenged those of us who stand for economy. Believe me, Mr. President, there are quite a number of us who strongly favor economy. I dare say that every Member of the Senate is for economy. I point out that if we are genuinely for economy, we cannot support this type of legislation. It means billions of dollars in addition to what is already being spent on our various Government programs. No one knows what the exact added cost would be.

I think it is high time for us to take stock of our position and to come down to earth and consider existing conditions. We want as high prices as can be obtained for the producer, but at the same time we must recognize the rights of the consumer and the taxpayer, as well as the rights of the American people generally. These rights are not being recognized in this particular piece of legislation.

This legislation is not geared for the welfare of all the American people. It is not even geared for the ultimate welfare of those in agriculture. As surely as we are in session here today, if this

bill is enacted and left in force, Senators who support it—and I assure the Senate that I am not one of those, for I shall vote against it—will be haunted by the action they are taking in this instance.

Mr. President, this bill is no solution to anything. It will make a bad situation much worse.

Mr. YOUNG. Mr. President, I should like to say a word also for the consumer, and for the wheat growers, who have probably taken more abuse during the course of the discussions on this farm price-support legislation than any other segment of our economy. Wheat prices have dropped \$1.50 a bushel in the past 1½ years, yet in every eastern city bread is selling at the same price at which it sold during the war and since. It has not dropped even 1 cent a loaf.

In New York City alone one milk distributor had a net profit last year of \$26,000,000. His own salary was \$150,000, and the salaries of his two assistants were \$90,000 and \$110,000. Those are things which ought to be investigated in behalf of the consumers.

I should like to point out that under our present support program wheat has a minimum support level of \$1.94 a bushel. Under the Anderson bill as it first came before the Senate the minimum support level for wheat, at 75 percent of parity, was \$1.42 a bushel. As amended by the conference with the House it now has a minimum of \$1.61 per bushel. Under the Aiken Act, taking 70 percent of parity as the support price, which is being very liberal with the sponsor, the support price would be \$1.26 a bushel. If the Members of the United States Senate think that they can keep our economy going and continue to get wheat at \$1.26 a bushel, I think they are badly mistaken.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. IVES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I should like to make a brief statement. After what has been said by the able Senator from New York [Mr. Ives] and the Senator from Massachusetts [Mr. SALTONSTALL], very little could be added to the arguments as to why the conference report should be defeated, and why we should allow the Aiken law to go into effect January 1, 1950.

Both political parties are on record for a flexible farm-support program. That has been debated on the floor of the Senate, and most Members of the Senate voted in favor of a flexible farm-support program.

There is no reason why, at this late date, the last day of the session, we should propose to project the 90 percent level mandatorily for 12 more months, and make it optional with the Secretary of Agriculture for two additional years. The Secretary has already indicated his intention, if he is given the power, of projecting the support level at 90 percent.

As the Senator from New York pointed out, this conference report is unfair not

only to taxpayer consumers but to the farmers themselves, who, if this measure is enacted, will end up with controls over their farm operations. They will be regulated by some bureaucrat here in Washington.

Mr. President, there are other reasons why I think we should not agree to the conference report—reasons which off-times are overlooked. This Government already is operating very much in the red. At the end of the last fiscal year, on June 30, we had a deficit of \$1,511,440,047. That deficit did not take into consideration the \$599,505,171 which was lost on the farm-support program by the Commodity Credit Corporation during the past fiscal year. We are today still further from having a balanced budget.

Since the first day of January of this year, the Congress has appropriated \$46,490,036,699.28. The contract authorizations which have been made at this session of Congress amount to \$4,501,413,298. Making a total of nearly \$51,000,000,000.

Mr. President, let us compare those appropriations and contract authorizations with the corresponding action taken by the second session of the Eightieth Congress, last year. When we do so, we find that the second session of the Eightieth Congress appropriated \$41,764,383,348.03, and made contract authorizations in the amount of \$3,886,371,715, or a total of a little more than \$45,600,000,000.

The present session of Congress, has made appropriations and contract authorizations totaling \$5,340,694,934.25 more than that the amount which was appropriated by the Eightieth Congress last year.

When we take into consideration the fact that last year the Government operated at a deficit of around \$2,000,000,000, and that we are now spending at the rate of \$5,225,000,000 faster than we did a year ago, we can see that even assuming we have a national income at the same level as last year's, we shall wind up with a deficit of approximately \$7,000,000,000; if we have a lower national income, we shall have a deficit of more than that.

So I think the time has come to recognize that both the taxpayers and the consumers must be given a "break" in this farm program.

In justice to the farmers, I may say that very few of them or the farm organizations have gone on record in favor of the 90 percent support program. Practically all farmers recognize that the support levels must be lowered to a more realistic basis.

Therefore, Mr. President, I shall vote against the conference report.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a tabulation showing the breakdown of the appropriations made at the second session of the Eightieth Congress and at the first session of the Eighty-first Congress—in other words, last year and this year.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

III. Recapitulation of appropriations by acts irrespective of fiscal years (80th Cong., 2d sess.)

REGULAR ACTS	
Agriculture.....	\$577,546,953.00
District of Columbia.....	99,729,483.00
Government corporations.....	38,479,061.00
Independent offices.....	967,442,551.00
Supplemental independent offices.....	5,819,659,851.00
Interior.....	407,836,974.00
Departments of Labor, Federal Security, and related independent agencies:	
Labor, Department of.....	14,423,700.00
Federal Security Agency.....	219,946,750.00
Related agencies.....	655,768,550.00
	890,139,000.00
Supplemental Federal Security Agency.....	975,914,700.00
Legislative.....	56,140,401.00
Military functions:	
Office of the Secretary of Defense.....	6,800,000.00
National Security Council.....	200,000.00
National Security Resources Board.....	3,000,000.00
Department of the Air Force.....	896,811,000.00
Department of the Army.....	5,798,607,163.00
	6,705,418,163.00
Civil functions, Department of the Army.....	641,875,666.00
Department of the Navy.....	3,749,059,250.00
State, Justice, Commerce, and the Judiciary:	
State.....	202,693,862.00
Justice.....	116,655,700.00
Commerce.....	172,428,000.00
The Judiciary.....	19,352,100.00
	511,129,662.00
Treasury and Post Office:	
Treasury.....	299,861,100.00
Post Office.....	1,696,452,325.00
	1,996,313,425.00
Supplemental Treasury and Post Office:	
Treasury.....	190,538,755.00
Post Office.....	57,875,500.00
	248,414,255.00
Total, regular acts.....	23,684,799,395.00

DEFICIENCY AND SUPPLEMENTAL ACTS, 1949, 1948, AND PRIOR FISCAL YEARS

Urgent deficiency, 1948.....	\$136,368,385.67
Foreign aid, welfare of Indians, and tax refunds.....	555,125,000.00
First deficiency, 1948.....	778,768,845.84
Supplemental national defense, 1948.....	949,000,000.00
Foreign aid, 1949.....	6,030,710,228.00
Second deficiency, 1948.....	549,774,876.36
Supplemental, 1949.....	15,300,000.00
Total, deficiency and supplemental acts.....	9,015,047,335.87

MISCELLANEOUS LAWS CARRYING APPROPRIATIONS

Public laws (for details see p. 774).....	\$1,543,704.14
Private laws (for details see pp. 775, 776).....	1,627,445.02

Total, miscellaneous acts carrying appropriations.....	3,171,149.16
Grand total, regular annual, deficiency, supplemental, and miscellaneous acts.....	32,703,017,880.03

PERMANENT APPROPRIATIONS GENERAL AND SPECIAL ACCOUNTS

Interest on the public debt.....	\$5,300,000,000.00
Refunds of taxes.....	2,768,000,000.00
Sinking fund and other debt retirement funds.....	624,763,000.00
All other permanent and indefinite, general, and special accounts.....	368,602,468.00
Total, permanent, general, and special accounts.....	9,061,365,468.00

Grand total, regular annual, supplemental, deficiency, miscellaneous acts, and permanent appropriations.....	41,764,383,348.03
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Deduct trust fund appropriations carried in regular annual, deficiency, and miscellaneous acts and funds.....

In addition, contract authorizations for the 80th Cong., 2d sess., totaled \$3,886,371,715.

III. Recapitulation of appropriations by acts irrespective of fiscal years (81st Cong., 1st sess.)

REGULAR ACTS	
Agriculture.....	\$715,601,607.00
District of Columbia.....	102,754,447.00
Independent offices.....	7,617,739,361.00
Interior.....	584,098,797.00
Departments of Labor, Federal Security, and related independent agencies:	
Labor, Department of.....	16,766,200.00
Federal Security Agency.....	1,487,364,185.00
Related agencies.....	883,669,600.00
Subtotal.....	2,387,799,885.00
Legislative.....	62,262,110.00
National Military Establishment:	
Office of the Secretary of Defense.....	191,450,000.00
National Security Council.....	200,000.00
National Security Resources Board.....	3,500,000.00
Department of the Army.....	4,380,644,238.00
Department of the Navy.....	4,285,382,200.00
Department of the Air Force.....	4,088,386,000.00
Subtotal.....	12,949,562,498.00
Civil functions, Department of the Army.....	664,178,190.00
State, Justice, Commerce, and the Judiciary:	
State.....	265,305,656.00
Justice.....	132,663,141.00
Commerce.....	239,269,105.00
The Judiciary.....	20,734,200.00
Subtotal.....	677,972,102.00
Treasury and Post Office:	
Treasury.....	1,036,318,403.93
Post Office.....	2,054,210,500.00
Subtotal.....	3,090,528,903.93
Total, regular acts.....	28,852,497,900.93

DEFICIENCY AND SUPPLEMENTAL ACTS, 1950, 1949, AND PRIOR FISCAL YEARS

First deficiency, 1949.....	\$524,649,473.59
Second deficiency, 1949.....	854,838,710.27
Veterans' Administration (H. J. Res. 222).....	595,890,000.00
Foreign Aid Appropriation Act, 1950.....	5,659,990,000.00
Third deficiency, 1949.....	177,740,619.02
Supplemental Appropriation Act, 1950.....	78,005,129.95
Second Supplemental Appropriation Act, 1950.....	1,083,161,658.73
Total, deficiency and supplemental acts.....	8,974,275,591.56

MISCELLANEOUS LAWS CARRYING APPROPRIATIONS

Public laws.....	\$2,929,807.79
Private laws.....	1,500,000.00

Total, miscellaneous acts carrying appropriations.....	4,429,807.79
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Grand total, regular annual, deficiency, supplemental, and miscellaneous acts.....	37,831,203,300.28
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PERMANENT APPROPRIATIONS GENERAL AND SPECIAL ACCOUNTS

Interest on the public debt.....	\$5,450,000,000.00
Refund of taxes.....	2,160,000,000.00
Sinking fund and other debt retirement funds.....	629,191,100.00
All other permanent and indefinite, general and special accounts.....	419,642,299.00

Total, permanent, general, and special accounts.....	8,658,833,399.00
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Grand total, regular annual, supplemental, deficiency, miscellaneous acts, and permanent appropriations.....	\$46,490,036,699.28
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¹ Passed Senate.
² Estimated.

³ In addition, contract authorizations for the 81st Cong., 1st sess., total \$4,501,413,298, including \$641,612,470 in the second supplemental appropriation bill, which is in conference.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had receded from its disagreement to the

amendments of the Senate numbered 1, 4, 5, 8, 15, 21, and 25 to the bill (H. R. 6427) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 6 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5601) to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6230) to direct the Secretary of the Interior to convey certain land to School District No. 5, Linn County, Oreg.

The message also announced that the House had agreed to a resolution (H. Res. 404) as follows:

Resolved, That a committee of two members be appointed by the House to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn unless the President had some other communication to make to them.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

House Concurrent Resolution 148

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Wednesday, October 19, 1949, and that when they adjourn on said day, they stand adjourned sine die.

House Concurrent Resolution 149

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the first session of the Eighty-first Congress, the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice-President:

S. 509. An act to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list;

S. 1232. An act to increase the allowance for equipment maintenance of rural carriers by 1 cent per day for each scheduled mile or major fraction thereof;

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center;

S. 1284. An act to amend section 6 of the Federal Airport Act;

S. 1479. An act to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes;

S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes;

S. 1660. An act providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.;

S. 1825. An act to amend the Post Pay Act of 1945, approved July 6, 1945, so as to provide promotions for temporary employees of the mail equipment shops;

S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes;

S. 2290. An act to authorize an appropriation for the making of necessary improvements in the cemetery plots at the Blue Grass Ordnance Depot, Richmond, Ky.;

H. R. 219. An act to confer jurisdiction upon the Court of Claims to determine the amounts due to and render judgment upon the claims of the employees of the Alaska Railroad for overtime work performed;

H. R. 1028. An act to legalize the admission into the United States of Edmea Pacheco;

H. R. 2266. An act to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes;

H. R. 2560. An act to amend the Rural Electrification Act to provide for rural telephones, and for other purposes;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 4000. An act to amend section 16 of the Hawaiian Organic Act relative to disqualification of legislators;

H. R. 4042. An act for the relief of Konstantinos Yannopoulos;

H. R. 4146. An act making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 4586. An act to authorize the Government of the Virgin Islands or any municipality thereof to issue bonds and other obligations;

H. R. 4686. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

H. R. 4966. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds;

H. R. 4967. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the construction of certain public-park improvements in the city of Honolulu;

H. R. 4938. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue flood-control bonds;

H. R. 5184. An act to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. R. 5345. An act to stabilize prices of agricultural commodities;

H. R. 5354. An act for the relief of Itzhak Shafer;

H. R. 5459. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the purposes of defraying the city and county's share of the cost of public improvements constructed pursuant to improvement-district proceedings;

H. R. 5490. An act to enable the Legislature of the Territory of Hawaii to authorize the county of Kauai, Territory of Hawaii, to issue public-improvement bonds;

H. R. 5856. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes;

H. R. 5934. An act to amend the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), and for other purposes;

H. R. 6007. An act for the relief of Herminia Ricart;

H. R. 6281. An act to provide for certain improvements relating to the Capitol Power Plant, its distribution systems, and the buildings and grounds served by the plant, including proposed additions;

H. R. 6301. An act to provide for parity in awards of disability compensation;

H. R. 6303. An act to authorize certain construction at military and naval installations, and for other purposes;

H. R. 6305. An act to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market; and

H. J. Res. 373. Joint resolution relating to the sale of certain shipyard facilities at Orange, Tex.

FAILURE OF THE PRESIDENT TO NOMINATE MEMBERS OF THE BOARD OF DIRECTORS, COMMODITY CREDIT CORPORATION

Mr. WILLIAMS. Mr. President, there is another matter which I wish to bring to the attention of the Senate. It has nothing to do with the conference report on the farm bill. At the last session of the Congress, there was passed what is known as the Commodity Credit Corporation Charter Act. In that Act, we specified that the Board of Directors of the Commodity Credit Corporation shall be appointed by the President, subject to confirmation of the nominations by the Senate. That act was amended somewhat at the present session of Congress.

It has been called to my attention that the President of the United States, for some reason which perhaps he can best explain, has failed to submit to the Senate the nomination of members of the Board of Directors of the Commodity Credit Corporation. I have checked with the Solicitor of the Department of Agriculture and with the legislative counsel of the Senate; and both are in agreement to the effect that tonight, when the Senate adjourns, the Commodity Credit Corporation will be operating without an official Board of Directors as contemplated by Congress.

That is a rather serious situation. I am not an attorney, and I cannot say whether or not under that state of affairs the Corporation can legally conduct its business as it should be conducted. The courts can determine that point, and no doubt they will be called upon to do so.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD, title V, section 56, of the United States Code, 1940, which covers the point I have raised.

There being no objection, the title was ordered to be printed in the RECORD, as follows:

SALARIES TO CERTAIN RECESS APPOINTEES

(Title 5, sec. 56, U. S. Code, 1940 ed., p. 64)

No money shall be paid from the Treasury, as salary, to any person appointed during the recess of the Senate, to fill a vacancy in any existing office, if the vacancy existed while the Senate was in session and was by law required to be filled by and with the advice and consent of the Senate, until such appointee has been confirmed by the Senate. The provisions of this section shall not apply (a) if the vacancy arose within thirty days prior to the termination of the session of the Senate; or (b) if, at the time of the termination of the session of the Senate, a nomination for such office, other than the nomination of a person appointed during the preceding recess of the Senate, was pending before the Senate for its advice and consent; or (c) if a nomination for such office was rejected by the Senate within thirty days prior to the termination of the session and a person other than the one whose nomination was rejected thereafter receives a recess commission: *Provided*, That a nomination to fill such vacancy under (a), (b), or (c) hereof, shall be submitted to the Senate not later than forty days after the commencement of the next succeeding session of the Senate. (R. S. sec. 1761; June 7, 1924, ch. 377, 43 Stat. 669; July 11, 1940, ch. 580, 54 Stat. 751.)

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter which I have received from the Solicitor of the Department of Agriculture, relating to this same question. It is apparent that, as of tonight, there will be vacancies on the Board of Directors of the Commodity Credit Corporation, and that this corporation will not be able to legally function until Congress reconvenes and names are submitted to the Senate by the President for confirmation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

**UNITED STATES DEPARTMENT
OF AGRICULTURE,**

Washington, D. C., February 17, 1949.

HON. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: This letter is in confirmation of and pursuant to your conversation of February 15, 1949, with Mr. George E. Cooper of this office, regarding the members and status of the Commodity Credit Corporation Board of Directors.

The Commodity Credit Corporation Board is presently composed of Charles F. Brannan, Secretary of Agriculture, Chairman, Albert J. Loveland, Ralph S. Trigg, Glen R. Harris, and L. Carl Fry.

As you know, section 9 of the Commodity Credit Corporation Charter Act provides that the Secretary of Agriculture or his nominee shall be a member of the board, and the remaining members shall be appointed by the President by or with advice and consent of the Senate. Section 9 further authorized the appointment by the Secretary of an interim board consisting of five members, including the Secretary, to serve until October 1, 1948. Since the Senate was not in session at the termination of the term of the interim board, the present appointed members of the board, Messrs. Loveland, Trigg, Harris, and Fry, received recess appointments by the President, effective October 1, 1948.

The President's power to make recess appointments is derived from article II, section 2, third clause, of the Constitution of the United States, which provides that the President may fill vacancies during the recess of the Senate by granting commissions "which shall expire at the end of their next session." The terms of the present appointed members of the board thus will expire, by constitutional limitation, at the end of the present session, unless by action of the President and the Senate they are given regular appointments during this session.

If a present member is nominated by the President during this session but rejected by the Senate, he may still continue to hold his office for the constitutional period—that is, until the end of the next session after his appointment, unless his appointment is sooner terminated by the President. However, section 205 of the Independent Offices Appropriation Act, 1949, prohibits the payment of any salary to an appointee whose nomination has been rejected.

If during the present session the President should fail to submit any nominations, or if the Senate should fail to act upon the names of any nominees or should reject any nominees, the President could make further recess appointments to fill any vacancies which existed after the end of this session. However, under section 1761, Revised Statutes, as amended (5 U. S. C. 56), no person receiving such further recess appointment could be paid a salary unless the appointment came within one of the exceptions enumerated in section 1761.

Sincerely yours,

W. CARROLL HUNTER,
Solicitor.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I shall support the conference report. I am very happy that this report, as presented by the conferees, provides that wool, including mohair, shall be supported at not more than 90 percent nor less than 60 percent of parity, to encourage the annual production of 360,000,000 pounds of shorn wool.

At present, the annual production of shorn wool is well below this figure. It is estimated that 1949 production will not exceed 216,000,000 pounds. This means, I believe, that production will and should be supported at 90 percent of parity. As I read the report, it means that if wool is supported at 90 percent, mohair must be and will be supported at the same level. Today I have conferred with the administrative assistant to the Chairman of the Commodity Credit Board and with other Department of Agriculture officials about the conference report.

For a vast area of my State, this will be welcome news of justice long overdue. The mohair growers of the southwestern region of Texas have been held for too long under the thumbs of a few speculators who have been forcing the market price down to give-away levels. With the Government on their side now, the mohair growers can welcome the end of the era of enforced economic starvation.

This is a very fine accomplishment; and I want to pay tribute to Senator

ANDERSON, of New Mexico, and the other members of the conference, who have been most cooperative and helpful in making possible a price-support program for mohair.

Mr. HICKENLOOPER. Mr. President, we have heard a good deal said this afternoon about the consumer. The consumer is entitled to have a great deal said in his behalf and for his benefit; but I call attention to the fact that one section of the consuming public of the United States, and probably the most consistent purchaser of large volumes of durable goods in our entire economy, the consuming farmers of the United States, have not been overemphasized in the giving of consideration in connection with this matter.

The farmers of the United States, composing approximately 20 percent of our population and, I think, a much higher percentage of the purchasers of durable goods in our economy, have been struggling for a great many years under organized proposals for farm programs, beginning back in 1919, 1920, and 1921. We have not yet arrived, perhaps, at a perfect farm formula; but I call attention to the fact that under any proposal which has been made, the farmer is not asking for excessive economic support. He is willing to take and to live with, if you please, economic support that is less than 100 percent of the cost of the things he has to buy when he is a consumer.

I think there are certain things wrong with the conference report and with the results attained. If the matter were left to me, I believe I could go through the conference report and could pick out a number of things which I would much prefer to have changed. But the conference report, which is the result of the discussions between the conferees on the part of the two Houses, recognizes one principle which I think it is vital to write into a farm program, and which I hope becomes a permanent part of our farm program and its philosophy, namely, the flexible feature of the approach to the parity regulations.

I had hoped that we could put into effect at the earliest possible date a flexible approach to the question of farm surpluses and farm commodities. Apparently we are not going to do that as quickly as I had hoped. But the cost of the goods the farmer has to buy has gone up and up and up; and now there is a fourth round of wage demands, which, if granted, will send still higher the prices of farm machinery and the other durable goods the farmer has to buy.

So when we talk about the consumer, let us think of the great 20 percent segment of the American population, the farmer, who perhaps is the greatest consistent, solid consumer segment of our economy, and who is entitled to great consideration coming in this economy. I do not intend to speak at any length. I could analyze the income, the actual pay-check income, if you please, Mr. President, for hourly wages—that is, for hours worked—in my own State of Iowa, which I believe is the greatest diversified farming State in the Union, and show that the hourly wage for the hours

worked in order to produce the end product on the average Iowa farm is not in excess of 50 cents an hour; that is, the net pay-check return after the expenses are paid, when we take the return for the hourly wage, or the net number of hours worked in order to produce farm commodities. I submit, Mr. President, that even under the present situation, under the programs either presently operating or proposed, the actual pay check for the hourly work of those engaged in diversified farming does not even come up to the hourly wage of the man who digs a ditch for a living, or of the most unskilled labor.

When we talk about our economy, let us be fair to both sides. I do not particularly like the pending bill, because of several provisions, but I am going to vote for it, because it establishes a principle, and I believe it establishes a reasonable permanence, at least for some time in the future, of a farm program upon which we can rely. I hope that when we pass the pending bill, Mr. President, the farm program will at least for a season stop being a political football and will be taken out of the realm of partisan politics. It never should have been in partisan politics, in the first place; it is too vital to our economy. I hope we shall end partisan politics and partisan squabbling over the farm bill, at least until this legislation can have a decent chance and a decent trial. But the farmers, under this or any other program which has been proposed, do not even ask to have as much of a reliable income as is represented by the cost of the products they have to buy—yes, products from the factories of the Senator's own State of New York, or from any of the other fabricating centers. Prices are going up, but the farmer's income is not appreciably going up at this time.

I think we have the approach at least to the beginning of a permanent farm program. I should like to see it tried. I should like to see it put into effect with the cordial support and friendly sympathy of both political parties. It has defects, I am sure, but it also has some principles which I believe are helpful and progressive. For that reason I shall support the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays having been ordered, the Secretary will call the roll.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll, anyway. [Laughter.]

The roll was called, and the following Senators answered to their names:

Aiken	George	Kilgore
Anderson	Graham	Knowland
Baldwin	Gurney	Langer
Brewster	Hayden	Leahy
Bridges	Hickenlooper	Lodge
Chapman	Hill	Long
Connally	Hoey	Lucas
Cordon	Holland	McCarthy
Donnell	Ives	McFarland
Downey	Johnson, Colo.	McKellar
Dworshak	Johnson, Tex.	McMahon
Ecton	Kerr	Malone
Fulbright		Millikin

Morse	Russell	Tobey
Neely	Saltonstall	Watkins
O'Connor	Schoeppel	Wherry
O'Mahoney	Smith, Maine	Williams
Pepper	Thomas, Utah	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. IVES (when Mr. DULLES' name was called). The junior Senator from New York [Mr. DULLES] has a pair with the Senior Senator from Minnesota [Mr. THYE]. If the junior Senator from New York were present he would vote "nay." If the senior Senator from Minnesota were present he would vote "yea."

Mr. MCCARTHY (when his name was called). I have a pair with the senior Senator from Ohio [Mr. TAFT]. If he were present and voting he would vote "nay", and if I were permitted to vote I would vote "yea."

The roll call was concluded.

Mr. MYERS. The Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Washington [Mr. MAGNUSON] are detained on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Virginia [Mr. ROBERTSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], and the Senator from Oklahoma [Mr. THOMAS] are absent on official committee business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. McCLELLAN], the

Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] are absent on official business with leave of the Senate.

The Senator from New Jersey [Mr. HENDRICKSON], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] who is absent on official committee business, is paired with the Senator from Indiana [Mr. CAPEHART] who is absent on official business. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Indiana would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senator from New York [Mr. DULLES] who is absent by leave of the Senate is paired with the Senator from Minnesota [Mr. THYE] who is absent on official committee business. Their pair has been previously announced by the senior Senator from New York [Mr. IVES].

The Senator from South Dakota [Mr. MUNDT] is absent on official business with leave of the Senate. If present and voting, the Senator from South Dakota would vote "yea."

The Senator from Ohio [Mr. TAFT] is necessarily absent and his pair has been previously announced by the Senator from Wisconsin [Mr. MCCARTHY].

The Senator from Indiana [Mr. JENNER] is absent on official committee business.

The Senator from Washington [Mr. CAIN] and the Senator from Pennsylvania [Mr. MARTIN] are detained on official business.

The result was announced—yeas 46, nays 7, as follows:

YEAS—46

Aiken	Hill	Malone
Anderson	Hoey	Millikin
Brewster	Holland	Morse
Chapman	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Connor
Cordon	Kerr	O'Mahoney
Donnell	Kilgore	Pepper
Downey	Knowland	Russell
Dworshak	Langer	Schoeppel
Ecton	Leahy	Smith, Maine
Fulbright	Long	Thomas, Utah
George	Lucas	Watkins
Graham	McFarland	Wherry
Gurney	McKellar	Young
Hayden	McMahon	
Hickenlooper		

NAYS—7

Baldwin	Lodge	Williams
Bridges	Saltonstall	
Ives	Tobey	

NOT VOTING—43

Bricker	Cain	Douglas
Butler	Capehart	Dulles
Byrd	Chavez	Eastland

Ellender
Ferguson
Flanders
Frear
Gillette
Green
Hendrickson
Humphrey
Hunt
Jenner
Johnston, S. C.
Kefauver

McCarran
McCarthy
McClellan
Magnuson
Martin
Maybank
Mundt
Murray
Myers
Reed
Robertson
Smith, N. J.

Sparkman
Stennis
Taft
Taylor
Thye
Thomas, Okla.
Tydings
Vandenberg
Wiley
Withers

In lieu of the sum proposed by said amendment insert "\$5,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4, 5, 6, 8, 15, 21, and 25.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,

Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,

Managers on the Part of the House.

So the conference report was agreed to.

NOMINATION OF SAMUEL R. VALLIERE TO BE POSTMASTER AT MIAMI, FLA.

Mr. MCKELLAR. Mr. President, by accident the nomination of a postmaster at Miami, Fla., was overlooked this afternoon. The committee has reported it, and I ask unanimous consent that the nomination of Samuel R. Valliere to be postmaster at Miami, Fla., be confirmed.

Mr. WHERRY. Mr. President, I understand the nomination was omitted from the list that came up this afternoon.

Mr. MCKELLAR. That is correct. I have been so informed by the chairman of the committee, who asked me to make this request.

Mr. WHERRY. There is no objection. The VICE PRESIDENT. Without objection, as in executive session, the nomination is confirmed, and the President will be immediately notified.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1950

Mr. MCKELLAR submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6427) making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 9, 10, 11, 17, 18, 19 and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 16, 22 and 23, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$10,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,250,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$125,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$650,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

Mr. MCKELLAR. Mr. President, I move the adoption of the report.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6427, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.

October 19, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 8, 15, 21, and 25 to the bill (H. R. 6427) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1950, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 6 to said bill and concur therein with an amendment as follows: In lines 4 and 17 of the matter inserted by said amendment strike out "February 1" and insert "February 15."

Mr. MCKELLAR. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 6. I will say in explanation of the amendment that it merely changes the date in the Korea amendment from February 1 to February 15. I move that the Senate concur.

The VICE PRESIDENT. Without objection, the motion is agreed to.

Mr. MCKELLAR. Mr. President, does that conclude the conference report?

The VICE PRESIDENT. That concludes the conference report.

Mr. WHERRY. Mr. President, when the Chair put the question, I heard "ayes" but I did not know whether the Presiding Officer asked for the "noes." I am not sure that that was done.

The VICE PRESIDENT. In order to be sure, the Chair will put the question again. As many as favor the conference report will say "aye."

Mr. BREWSTER. Mr. President, I wish to speak on this conference report, if there is an appropriate opportunity.

The VICE PRESIDENT. Now is the appropriate time.

Mr. MCKELLAR. I thought it had been agreed to.

The VICE PRESIDENT. The Chair thought so.

Mr. BREWSTER obtained the floor.

The VICE PRESIDENT. Will the Senator yield to the Senator from Arizona to present two resolutions?

Mr. BREWSTER. Certainly.

PRINTING OF HEARING BEFORE COMMITTEE ON AGRICULTURE, THE HOUSE OF REPRESENTATIVES

Mr. HAYDEN. From the Committee on Rules and Administration, I report favorably House Concurrent Resolution 146, providing for the printing of hearings before the Committee on Agriculture of the House of Representatives, and I ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF REPORT OF THE ATOMIC ENERGY COMMISSION

Mr. HAYDEN. Mr. President, I report favorably from the Committee on Rules and Administration House Concurrent Resolution 147, providing for the printing of 50,000 copies of the report of the Atomic Energy Commission, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Without objection, the concurrent resolution is agreed to.

Mr. HICKENLOOPER subsequently said: Mr. President, will the Senator from Maine yield for a question on a concurrent resolution which has just been adopted?

Mr. BREWSTER. It has not been adopted.

Mr. HICKENLOOPER. The House concurrent resolution was just adopted. I admit a little slowness on my part, but it went through before I realized what it was.

The VICE PRESIDENT. The Chair did declare it adopted, without objection.

Mr. HICKENLOOPER. I am not criticizing the Chair. It was adopted before I realized what it was. The House concurrent resolution just reported and adopted has to do with the printing of 50,000 copies of some report of the Joint Committee on Atomic Energy. I was wondering if I may ask what the report is, and what it consists of.

Mr. McMAHON. Mr. President, will the Senator from Maine yield to me to answer?

Mr. BREWSTER. I will yield if I may do so without losing the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McMAHON. As I understand, the vice chairman of the committee submitted a resolution in the House for the printing of 50,000 copies of the report of the joint committee which was filed with the Senate and with the House 3 or 4 days ago.

Mr. HICKENLOOPER. Of the investigation?

Mr. McMAHON. Of the investigation.

Mr. HICKENLOOPER. I have no objection to the adoption of the resolution, but I ask the chairman of the Joint Committee on Atomic Energy, if I may be yielded to further, if he objects to amending the resolution to provide that an equal number of copies of the views of the minority of the Joint Committee on Atomic Energy, in connection with the resolution, may be printed when they are filed.

Mr. McMAHON. I would have no objection at all and I desire to cooperate to the end that the Senator gets a chance to disseminate as many copies of the minority views as he wishes, but I do not see how we can now send this concurrent resolution back to the House. It is too late for that. If an amendment were added to it, the resolution would be lost.

Mr. HICKENLOOPER. Mr. President, I think it is quite important. While the minority are not so numerous as the majority, I think the views of the minority of the joint committee rise to just as great importance in an examination of this matter, and therefore, if the Senator will indulge me, I should like to ask unanimous consent that the vote by which the concurrent resolution authorizing the printing of the copies was adopted be reconsidered for the purpose of permitting me to offer an amendment to include provision for the same number of copies of the views of the minority.

Mr. LUCAS. Mr. President, before we vote on that question, it seems to me that if the Senator would present a simple resolution, just as the Senator from Connecticut has, for the minority, there would be no objection to the Senate adopting it. But the situation being as it is, the resolution would have to go back to the House, and could not be finally adopted. In view of the fact that the Senator from Iowa has not seen fit up to this time to file the minority views, as the Senator from Connecticut has done in the case of the majority report, I do not think he should strive to defeat the resolution, at this late hour. Certainly there would be no objection on the part of anyone to the Senator from Iowa offering a resolution, and the Senate would adopt it, so far as I am concerned, unanimously, but we should not kill this resolution simply because the Senator from Iowa has not seen fit up to this time to do what the Senator from Connecticut has done.

Mr. HICKENLOOPER. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield.

Mr. HICKENLOOPER. I am not attempting in any way to kill the resolution, and I am willing to cooperate in any device that will enable the minority to have the same number of copies of the minority views printed as the majority views. I had no intimation that a request for the printing of 50,000 copies would come in, not in the twilight, but in the sunset, of the session. Had I had any idea I would have gone to Representative DURHAM, who offered the resolution, and would have asked him to include the minority views, and I have no doubt that he would have consented. This is the first inkling I have had of this matter. If the Senator from Illinois can suggest a device as to how it could be done, I should appreciate it.

Mr. LUCAS. I think I could suggest some device, but it does seem to me rather unusual that the distinguished Senator from Iowa, who was responsible for the resolution in the beginning charging the Commission with incredible mismanagement, after all the hearings which have been held, would not have

thought enough of the minority views to have seen to it that they were disseminated throughout the country as the majority is attempting to do with its views. The only point I am making is that the Senator from Iowa simply by an amendment would kill the resolution, because we cannot get it back to the House. Of course, so far as I am concerned, I would have to oppose the amendment, but I certainly would not oppose any resolution the Senator from Iowa desired to offer which would give him the same right so far as printing 50,000 copies of the minority views is concerned.

Mr. HICKENLOOPER. If the Senator will indulge me, I ask unanimous consent that when the views of the minority have been filed with the Senate, which they will be in a few days, that there be authorized as a Senate document 50,000 copies of the views of the minority in connection with this matter.

Mr. McMAHON. Mr. President, reserving the right to object, I will say I believe the Senator from Iowa has hit upon a very happy solution of the difficulty. I would not want it to appear in the RECORD for one moment that the Senator from Connecticut is in any way disposed to prevent the dissemination of the views of the Senator from Iowa and his colleagues on the committee who may agree with him. I am delighted that the Senator has now hit upon this device, and I assume that consent will be given to the printing of 50,000 copies of the dissenting views.

Mr. HICKENLOOPER. I have no desire to stop the concurrent resolution. That is not the point. I merely want the minority views to have the same opportunity for dissemination as the majority views.

The VICE PRESIDENT. Without objection, the request of the Senator from Iowa is granted.

IMPORTATION OF POTATOES FROM CANADA

The VICE PRESIDENT. The Senator from Maine [Mr. BREWSTER] has the floor.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. LUCAS. May I ask how long the Senator expects to speak?

Mr. BREWSTER. Seven minutes.

Mr. LUCAS. The only reason I made the inquiry is that I hope Senators may remain in the Senate Chamber in case there should be a yea-and-nay vote had on the appropriation bill.

Mr. McKELLAR. Action has already been taken on it. The Senator from Maine is simply proposing to make a speech on it.

The VICE PRESIDENT. The conference report has not yet been agreed to. Any Senator who wishes to do so may address himself to the matter.

The Senator from Maine [Mr. BREWSTER] has the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. Mr. President, I think I must insist on proceeding in order to expedite the business of the Senate.

The VICE PRESIDENT. The Senator from Maine declines to yield further.

Mr. BREWSTER. I have two matters I wanted to bring to the attention of the Senate, Mr. President, in connection with the supplemental appropriation bill. The farm bill has just been passed. In that bill provisions were contained for continuing support for potatoes at 60 to 90 percent of parity—the same provisions that have been in effect for 1 year on potatoes, and have been operating very successfully.

Within the last 24 hours, I am advised by the Department of Agriculture, 1,000,000 bushels of potatoes are being loaded in Canada for dumping on our market, and 10 to 12 million bushels are backed up and are expected to be sent to the United States. That will mean the retirement of American potatoes at a cost to our Treasury of \$20,000,000. That can be stopped under the provisions of section 22 of the Agricultural Act, either by the imposition of a fee because of the dumping with a 10-percent devaluation, or by an absolute quota prohibition so long as our support program is in effect. I wanted to take this opportunity to bring that matter home very clearly to the responsible authorities.

A year ago with this same situation developing, the State Department accomplished, with a celerity that I highly commend, an agreement with Canada by diplomatic negotiations under which Canada agreed to ship no more potatoes into this country except certified seed, and further gave assurance that those potatoes should be used for seed purposes. That arrangement was liberally violated. There was no way of enforcing it. However, within the past month, to the amazement of everyone, our State Department has cancelled that agreement so that potatoes may now come in from Canada freely, subject only to the restrictions of our tariff and our existing trade agreement, modifying our tariff law—1,000,000 bushels of table stock at 50 percent cut in our tariff of 75 cents, and 2,500,000 bushels of certified seed potatoes which may be used for other purposes.

The potato program this year is going to cost apparently around \$40,000,000, as the result of the reduction of 75,000,000 bushels in production by the reduction of acreage, and the cooperation of potato growers everywhere. I do not believe that the potato growers of this country, from north, south, east, and west should be held responsible for the \$20,000,000 additional cost that is going to be imposed on our Treasury, or a 50 percent increase in the current cost, because of the failure of the Treasury and the Department of Agriculture to exercise their admitted powers under existing law.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MAGNUSON. I want to ask the Senator a question. If the State Department had carried out the provisions of section 22, probably this situation would not have occurred, would it?

Mr. BREWSTER. It may be stopped under the provisions of that section, and I hope very earnestly that those who are

[PUBLIC LAW 439—81ST CONGRESS]

[CHAPTER 792—1ST SESSION]

[H. R. 5345]

AN ACT

To stabilize prices of agricultural commodities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1949".

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is :	The level of support shall be not less than the following percentage of the parity price :
Not more than 102_____	90
More than 102 but not more than 104_____	89
More than 104 but not more than 106_____	88
More than 106 but not more than 108_____	87
More than 108 but not more than 110_____	86
More than 110 but not more than 112_____	85
More than 112 but not more than 114_____	84
More than 114 but not more than 116_____	83
More than 116 but not more than 118_____	82
More than 118 but not more than 120_____	81
More than 120 but not more than 122_____	80
More than 122 but not more than 124_____	79
More than 124 but not more than 126_____	78
More than 126 but not more than 128_____	77
More than 128 but not more than 130_____	76
More than 130_____	75
(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is :	The level of support shall be not less than the following percentage of the parity price :
Not more than 108_____	90
More than 108 but not more than 110_____	89
More than 110 but not more than 112_____	88
More than 112 but not more than 114_____	87
More than 114 but not more than 116_____	86
More than 116 but not more than 118_____	85

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is :	The level of support shall be not less than the following percentage of the parity price :
More than 118 but not more than 120-----	84
More than 120 but not more than 122-----	83
More than 122 but not more than 124-----	82
More than 124 but not more than 125-----	81
More than 125 but not more than 126-----	80
More than 126 but not more than 127-----	79
More than 127 but not more than 128-----	78
More than 128 but not more than 129-----	77
More than 129 but not more than 130-----	76
More than 130-----	75

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 per centum of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

(e) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506) shall continue in effect.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool (including mohair), tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat as follows:

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price

therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102	90
More than 102 but not more than 104	89
More than 104 but not more than 106	88
More than 106 but not more than 108	87
More than 108 but not more than 110	86
More than 110 but not more than 112	85
More than 112 but not more than 114	84
More than 114 but not more than 116	83
More than 116 but not more than 118	82
More than 118 but not more than 120	81
More than 120 but not more than 122	80
More than 122 but not more than 124	79
More than 124 but not more than 126	78
More than 126 but not more than 128	77
More than 128 but not more than 130	76
More than 130	75

Provided, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support

programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

SEC. 303. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

SEC. 402. Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for

such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

Sec. 408. For the purposes of this Act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

(c) A "basic agricultural commodity" shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

(d) A "nonbasic agricultural commodity" shall mean any agricultural commodity other than a basic agricultural commodity.

(e) The "supply percentage" as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

(f) "Total supply" of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(g) "Carry-over" of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

(h) "Normal supply" of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program.

In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(i) "Marketing year" for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this Act.

SEC. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining "adjusted base price"), is amended by adding at the end thereof the following: "As used in this subparagraph, the term 'prices' shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942."

(b) Section 301 (a) (1) (C) of such Act, as so amended (defining "parity index"), is amended (1) by inserting after the word "buy" a comma and the following: "wages paid hired farm labor", and (2) by inserting after "such prices" a comma and the word "wages".

(c) Section 301 (a) (1) of such Act, as so amended, is amended by adding at the end thereof the following new subparagraph:

"(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the four-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949."

(d) Section 301 (b) (10) (A) of such Act, as so amended (defining "normal supply"), is amended by striking out "7 per centum in the case of corn" and inserting in lieu thereof "10 per centum in the case of corn".

(e) Section 322 (a) of such Act, as so amended (relating to corn marketing quotas), is amended by adding at the end thereof the following: "With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as 'such calendar year' for the purposes of (1) and (2) of the preceding sentence."

(f) Section 328 of such Act, as so amended (relating to corn acreage allotments), is amended by striking out "reserve supply level" and inserting in lieu thereof "normal supply".

SEC. 410. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: "Provided, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841)."

SEC. 411. Section 32, as amended, of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: "The sums

appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products."

SEC. 412. Determinations made by the Secretary under this Act shall be final and conclusive: *Provided*, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

SEC. 413. This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.

SEC. 414. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this Act are hereby repealed.

SEC. 415. (a) Except as modified by this Act or by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 207 (a), and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

(c) Section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, by section 201 (d) of the Agricultural Act of 1948, is amended (1) by striking out of subparagraph (A) the following: "cotton," (2) by striking out of subparagraph (A) the following: "30 per centum in the case of cotton;" and (3) by adding at the end thereof the following subparagraph:

"(C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over."

(d) Section 301 (b) (16) of the Agricultural Adjustment Act of 1938, as amended by section 201 (e) of the Agricultural Act of 1948 is amended (1) by striking out of subparagraph (A) the following: "cotton," and (2) by adding the following subparagraph:

"(C) 'Total supply' of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year."

(e) Sections 201 (c), 205, 206, and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

SEC. 416. In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price support

program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

SEC. 417. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by the Bank for Cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures."

(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

"Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures located in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation

will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures."

SEC. 418. (a) Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

"SEC. 353. (a) The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for trends in acreage during the applicable period.

"(b) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: *Provided*, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the Act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 per centum of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made but who have not produced rice in any one of the past five years, on the basis of the applicable apportionment factors set forth herein: *Provided*, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past five years, on the basis of the applicable apportionment factors set forth herein.

"(c) Notwithstanding any other provisions of this Act—

"(1) if farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be

apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: *Provided*, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

“(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

“MARKETING QUOTAS

“SEC. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

“(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

“AMOUNT OF FARM MARKETING QUOTA

“SEC. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the ‘farm marketing excess’: *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

“PENALTIES AND STORAGE

“SEC. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

“(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the pro-

viso in section 355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

“(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

“(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

“(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this Act.

“(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

“(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

“(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: *Provided*, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm.”

(b) Section 301 (b) (1) (B) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the word "cotton" a comma and the word "rice".

(c) Section 301 (b) (9) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word "cotton" the word "rice".

SEC. 419. Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure "10" in the first sentence and inserting therefor the figure "15", and (ii) by striking the figure "30" in the proviso and inserting therefor the figure "20".

Approved October 31, 1949.



COMPARISON OF THE MAIN PROVISIONS OF MAJOR PROPOSALS FOR
FARM PRICE SUPPORT LEGISLATION .

Five major farm price support proposals are currently being seriously considered. These are:

1. Title I of the Agricultural Act of 1948, under which the Department of Agriculture has operated this year.
2. The Gore Bill, which would extend the Title I program, with minor changes, for at least another year.
3. Title II of the Agricultural Act of 1948 - The Aiken Act.
4. S. 2522, the Anderson Bill.
5. The USDA suggestions presented in testimony by Secretary Brannan.

The Aiken Act, Title II of the Agricultural Act of 1948, will automatically go into effect on January 1, 1950, unless Congress acts before December 31, 1949, to adopt some other program. The Pace Bill, containing some of the USDA proposals, was considered by the House of Representatives and failed of passage. The Gore Bill was substituted, by amendment, for the Pace Bill and was passed. The Anderson Bill was favorably reported by the Senate Committee on Agriculture and Forestry. The USDA plan was recommended to the Congress on April 7, 1949, by Secretary of Agriculture Charles F. Brannan in a statement to a joint meeting of the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry.

The simplest way to compare these different proposals is to examine their provisions with respect to five different features. These five features are:

1. The specific list of commodities that are given mandatory price support.
2. The level of mandatory minimum support provided to different commodities, with a look at their permissive maximum support levels.
3. The methods of support, that is, the types of price support operations that the legislation would authorize (or prohibit).
4. The formula provided for measuring the level of farm income and prices.
5. The conditions of support, that is, what farmers would have to do to be eligible for the benefits of support operations.

1. Commodities Provided with Mandatory Price Support

Cotton, corn, wheat, and tobacco would be provided mandatory price supports by all five plans.

Title II, the Aiken Act, would add wool, potatoes, peanuts, and rice to this list.

The Anderson Bill would take the Aiken Act list and add milk, butterfat, tung nuts, and mohair.

Title I provides mandatory price supports to a long list of commodities, including the basics--corn, cotton, wheat, tobacco, peanuts, and rice-- plus the Steagall commodities, butterfat, milk, hogs, eggs, chickens, flaxseed, soybeans, potatoes, sweet potatoes, dry field peas, dry edible beans, turkeys, and American-Egyptian cotton.

The Gore Bill adds mohair and cottonseed to the Title I list.

The USDA recommended that the following, at least, should be given mandatory price supports: cotton, corn, wheat, tobacco, milk, eggs, chickens, beef cattle, hogs, and lambs.

Title I and the Gore Bill list include all of the commodities listed by USDA except beef cattle and lambs. The Title II, or Aiken Act, list excludes milk, beef cattle, hogs, eggs, and chickens. The Anderson Bill omits beef cattle, hogs, eggs, and chickens. This information is summarized in Table 1.

All of the proposals would grant permissive authority to the Secretary of Agriculture to engage in price support operations for any agricultural commodity subject to the availability of funds after provision had been made for financing the programs for commodities provided mandatory supports. Provision for mandatory price support for any commodity would require the Department to initiate and have in readiness a support program to go into immediate operation should the market price of that commodity fall below the support price. Permissive authority on the other hand leaves the decision of whether to support the prices of a commodity to the discretion of the Secretary of Agriculture.

2. Levels of Support

All of the proposals establish mandatory minimum levels of supports to selected lists of commodities, provide permissive maximum levels of support for those and other commodities, and the Gore Bill provides for mandatory support of cottonseed and mohair without establishing a specific mandatory minimum level of support. A mandatory minimum level of support establishes the level below which the Secretary is directed to prevent prices received by farmers for that commodity from falling. The permissive level is the price above which the Secretary cannot support the prices paid to farmers by Government program operations. If no mandatory minimum level of support is provided for a commodity, the Secretary is authorized to support it at any point below the permissive maximum, even though the operation of a price support program for that commodity may be mandatory.

The level of support in the different proposals is usually expressed as a certain percentage of the parity prices or support standard prices calculated by using the different formulas provided. (The different parity formulas are compared in Section 4 of this statement.) Actual dollar and cents support levels would fluctuate from time to time as the data used in the different calculations fluctuate.

Comparison of neither parity prices nor support level percentages is meaningful except as they are expressed in dollar and cents prices calculated by the different methods from the same set of underlying conditions. The results of such calculations based upon estimated data that would be used for 1950 and the mandatory minimum support percentages provided by different proposals are shown in Table 2.

All of the proposals, in various ways, provide for permissive maximum support levels well above the mandatory minimums shown in Table 2. Permissive maximums vary considerably in detail and can best be determined by examination of the individual proposals.

3. Methods of Price Support--Types of Price Support Operations Authorized

Without a farm price support program, almost all of the supply of any commodity moves from the producer through the normal channels of trade to the ultimate consumer. Successive transfers in ownership of the commodity take place at regular supply and demand prices--market prices rise or fall to the point where the total quantity of the commodity for sale will just clear the market. Without a price support program, the prices received by farmers rise or fall sufficiently to adjust ultimate retail prices to consumer demand except when seasonal or localized gluts bring about a partial breakdown of the process.

The immediate objective of a farm price support operation is to prevent the returns that a producer receives from the sale of a particular commodity from falling below the support prices. Price supports are called into operation when the market price of the commodity threatens to drop below the support price. The effect, therefore, of farm price support operations is to hold returns to farmers at a higher level than would otherwise be the case.

To maintain returns to producers at a higher level than supply and demand market conditions would provide, the Government can undertake either or both of two general types of support activities. (1) The Government may take measures to hold a part of the total supply off the market, temporarily or indefinitely. (2) The Government may allow the total supply to flow through regular channels at supply and demand prices to the ultimate consumers; then if such market prices received by farmers are less than the support price the Government may make up the difference by a payment to farmers, to processors and distributors, or to consumers.

All of the major methods of price support that are currently being discussed are some variation or combination of these two general types--(1) purchase and (2) payments.

Variations of the purchase type of support method include nonrecourse loans, purchase agreements, and direct purchases. Most of the purchase programs operate to maintain market prices by taking only a part of the supply off the market. The supply taken off the market is held in sealed inventory pending an opportunity for disposal. Three major variations are possible in methods used in disposing of this inventory without driving market prices below the

support level--(1) sales for export, (2) domestic sales for secondary, by-product, and other than primary uses, and (3) sale back into domestic channels. Sales of the latter type are possible only if the supply and demand market price subsequently rises above the support level due to seasonal or other influences which either greatly increase demand or restrict supply. Some purchase programs do not attempt to maintain a specific price level but to have a generally lifting effect on the market price. In still another variation of the purchase and sale type operation, the Government stands ready to buy and then to resell, into domestic markets at less than support prices, the entire supply of the commodity or of certain grades of the commodity.

The Government cost of purchase type programs is dependent upon how far below support prices the accumulated inventories must be sold and the amount of buying, selling, grading, storage, transportation, and processing costs the Government must pay.

There are also several variations of the payment method. Payments to consumers can be in money or in stamps or coupons; they can be made to all consumers or to only a selected group. Payments to processors and distributors can cover all sales, sales for export only, domestic sales for secondary uses, or for all domestic sales only. Payments to farmers can be made on the basis of all sales or on some more restricted basis.

The Cost to the Government of the payment methods is the amount per unit that market price is below support price times the number of units covered.

Under purchase type programs, consumers are required to pay retail prices reflecting the level of support prices for at least that part of the supply sold in the domestic market for primary uses. Under payment methods, except where payment is made to consumers, retail prices to consumers would be the same supply and demand price that would prevail if no farm price support program were in operation.

All of the major price support proposals authorize the use of various variations of the purchase and resale type of support operations. Use of production payments to farmers is authorized by the Aiken Act, to a limited degree, and the USDA plan, without restrictions as the primary method of supporting perishables and for use in some circumstances as a supplemental method for storables. Although the legal situation is not clear, all of the proposals would apparently authorize the use of payments to distributors and processors. And none of the proposals authorizes payments in money or coupons to consumers. The variations in types of support operations that would be authorized by the different major farm price support proposals are summarized in Table 3.

Advance Announcement of Support Prices. The USDA proposal and the Anderson Bill would authorize the Department to announce specific dollar and cents support prices for different commodities prior to planting and breeding seasons. Such previously announced support prices could be raised if the index of prices paid by farmers, interest and taxes should rise before the marketing season, but such announced support prices could not be lowered until after the marketing season to which they apply. The other three proposals do not provide for this advance announcement of support prices.

4. The Parity or Support Standard Price Formula

Each of the proposals contains a parity price or support standard price formula to be used for calculating the base from which support prices are calculated by using the various support level percentages provided for that purpose.

Title I of the Agricultural Act of 1948 and the Gore Bill provide for the use of the parity price formula that has been in use since 1933. It would give a bushel of corn in the year ahead the same purchasing power in terms of goods and services that farmers have to buy as a bushel of corn had in the base period, 1909-14. The current parity price of a commodity equals the average price of the commodity in 1909-14 multiplied by the current index of prices paid by farmers, interest and taxes.

Title II of the Agricultural Act of 1948 uses the same basic formula but changes it partially by making an adjustment for the relationship among the prices of different farm commodities in the immediately preceding 10 years. This is the Aiken Act parity formula.

The Anderson Bill amends the Title II (Aiken) formula by adding "wages of hired farm labor" to the parity index, and "wartime subsidies" to "adjusted base prices." This would currently increase all parity prices by about 6 percent above the Aiken Act level and provide a slight additional increase for milk and a few other commodities.

The USDA recommendation takes a moving average income of the first 10 of the immediately preceding 12 years as the starting point and uses it to calculate the prices required to give farmers the same purchasing power that this base period income provided.

Some examples of how these different formulas would work out for different commodities are shown in Table 4.

About percentage of Parity. Starting with the parity or support standards as calculated by using the formulas discussed in this section, the different proposals would apply different support level percentages to obtain the actual support prices at any time.

Title I and the Gore Bill provide for the support of the basic commodities and of milk, butterfat, hogs, eggs, and poultry at 90 percent of parity. Remaining Steagall commodities are provided mandatory minimum support at 60 percent of parity price.

The Aiken Act and the Anderson Bill provide sliding scale mandatory minimums, based upon the condition of supply, of support level percentages varying from 60 to 90 percent of parity in the Aiken Act and from 75 to 90 percent of parity prices in the Anderson Bill. Each of these bills has additional percentage calculations for specific application to specially named commodities.

The USDA proposed that the returns to producers of the priority commodities be maintained at the full income support standard.

These support level percentages must, however, be discussed with caution. None of the percentage figures mean anything specific except as they are related to the particular formula to which they are to be applied. Thus, 90 percent of Aiken Act parity for wheat equals only 80 percent of Gore Bill parity price.

5. Conditions of Support

All five of the farm price support proposals authorize or appear to assume use of acreage allotments and marketing quotas and marketing agreements and orders when necessary. The five proposals do not differ in this regard. The intent of all five proposals is to make eligibility for price support dependent upon producers' willingness to keep supplies in balance with demand. The detailed legislation covering this matter is not included in the price support measures but rather in other laws. In addition to this provision, the USDA also recommends two other price support conditions--requirement of a minimum of soil conserving practices and an 1800-unit limitation upon the eligibility of a single farm for price support (about \$26,000 at income support standard prices).

6. References giving more detailed information:

a. Title I or Agricultural Act of 1948.

- (1) Public Law 897 - 80th Congress - "The Agricultural Act of 1948," Title I.
- (2) Summary of "Agricultural Act of 1948."
- (3) "Price Programs of the United States Department of Agriculture," USDA Miscellaneous Publication 683 (March 1949).

b. The Gore Bill

- (1) H. R. 5345, dated July 21, 1949.
- (2) References listed under Title I.

c. The Aiken Act (Title II of the Agricultural Act of 1948).

- (1) Public Law 897 - 80th Congress - "The Agricultural Act of 1948," Title II.
- (2) Summary of "Agricultural Act of 1948."
- (3) "An Analysis of the principal provisions of the Agricultural Act of 1948" - Prepared in the Office of the Solicitor, USDA.

d. The Anderson Bill

- (1) S. 2522 -- a Bill to be known as the Agricultural Adjustment Act of 1949. Introduced by Senator Anderson of New Mexico.

e. The USDA Recommendations

- (1) Statement of the Secretary of Agriculture to a joint meeting of the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture, April 7, 1949.
- (2) S. 1882.
- (3) Article by Wesley McCune in May issue of "Agricultural Situation".

TABLE 1

COMMODITIES PROVIDED MANDATORY PRICE SUPPORTS
BY DIFFERENT PROPOSALS

Commodity	: Percentage of : total amount : farm income, 1948:	: Title I : and : Gore Bill:	: Title II : Aiken Act:	: Anderson: : Bill	: USDA : Proposal
Cotton lint.....	6.8	: X	: X	: X	: X
Corn.....	3.5	: X	: X	: X	: X
Wheat.....	8.9	: X	: X	: X	: X
Tobacco.....	3.3	: X	: X	: X	: X
Rice.....	.6	: X	: X	: X	: X
Peanuts.....	.7	: X	: X	: X	: X
Butterfat.....	) 14.5	: X	:	: X	:
Milk.....		: X	:	: X	: X
Hogs.....	13.2	: X	:	:	: X
Eggs.....	6.0	: X	:	:	: X
Chickens.....	3.9	: X	:	:	: X
Turkeys.....	1/	: X	:	:	:
Flaxseed.....	.9	: X	:	:	:
Soybeans.....	1.5	: X	:	:	:
Beans, dry edible..	1/	: X	:	:	:
Peas, dry field...	1/	: X	:	:	:
Potatoes.....	1.6	: X	: X	: X	:
Beef cattle.....	16.5	:	:	:	: X
Lambs (and sheep)..	1.3	:	:	:	: X
Wool.....	1/	: X 2/	: X	: X	:
Tung nuts.....	1/	:	:	: X	:
Mohair.....	1/	:	:	: X	:
Sweet potatoes....	1/	: X	:	:	:
Cottonseed.....	1.4	: X 3/	:	:	:
American-Egyptian cotton.....	1/	: X	:	:	:

1/ Less than one-half of one percent.

2/ Including pulled wool.

3/ In Gore Bill but not Title I.

TABLE 2

ESTIMATED MANDATORY MINIMUM LEVELS OF PRICE SUPPORT THAT WOULD BE PROVIDED IN 1950 FOR SPECIFIED COMMODITIES BY DIFFERENT PROPOSALS

Commodity	: Unit :	: Title I : and Gore Bill :	: Title II : Aiken Act 1/ :	: Anderson : Bill 1/ :	: USDA : Proposal 6/ :
Cotton.....	:Lb. :	.2723	: .1724 to .2537 2/ :	.2156 to .2587 3/ :	.2776
Corn.....	:Bu. :	1.41	: .89 to 1.34 2/ :	1.12 to 1.36 3/ :	1.45
Wheat.....	:Bu. :	1.94	: 1.22 to 1.84 2/ :	1.53 to 1.84 3/ :	1.86
Tobacco:	:	:	:	:	:
Flue-cured.....	:Lb. :	.422	: .286 to .428 2/ :	.377 to .453 3/ :	.487
Burley.....	:Lb. :	.410	: .290 to .435 2/ :	.383 to .460 3/ :	.490
Rice.....	:Bu. :	1.78	: 1.31 to 1.96 2/ :	1.78 to 2.07 3/ :	4/
Peanuts.....	:Bu. :	.105	: .067 to .100 2/ :	.083 to .100 3/ :	4/
Butterfat.....	:Lb. :	.578	: 4/ :	.548	4/
Milk.....	:Cwt. :	3.51	: 4/ :	3.41	3.56
Hogs.....	:Cwt. :	15.90	: 4/ :	4/	16.00
Eggs.....	:Doz. :	.472	: 4/ :	4/	.386
Chickens.....	:Lb. :	.250	: 4/ :	4/	.245
Turkeys.....	:Lb. :	.211	: 4/ :	4/	4/
Flaxseed.....	:Bu. :	2.47	: 4/ :	4/	4/
Soybeans.....	:Bu. :	1.41	: 4/ :	4/	4/
Beans, dry edible:	:Cwt. :	4.93	: 4/ :	4/	4/
Peas, dry field..	:Cwt. :	3.06	: 4/ :	4/	4/
Potatoes.....	:Bu. :	1.07	: .93 :	4/	4/
Beef cattle.....	:Cwt. :	4/	: 4/ :	4/	14.19
Lambs.....	:Cwt. :	4/	: 4/ :	4/	15.47
Wool.....	:Lb. :	.423 7/	: 4/ :	.471	4/
Tung nuts.....	:Ton :	4/	: 4/ :	61.80	4/
Mohair.....	:Lb. :	5/	: 4/ :	.407	4/
Sweet potatoes...	:Bu. :	1.28	: 4/ :	4/	4/
American-Egyptian:	:	:	:	:	:
cotton.....	:Lb. :	.3734	: 4/ :	4/	4/

1/ Including consideration of transitional parity calculation.

2/ Range according to supply percentage, and whether marketing quotas are in effect.

3/ Range according to supply percentage.

4/ Support not mandatory.

5/ Support mandatory, level of support discretionary (in Gore Bill but not Title I).

6/ Support prices shown are bottom of discretionary range provided to allow adjustment to maintain desirable feed ratios.

7/ Including pulled wool.

TABLE 3

TYPES OF PRICE SUPPORT OPERATIONS THAT WOULD BE
AUTHORIZED BY DIFFERENT FARM PRICE SUPPORT PROPOSALS

Type of Support Operations	: Title I : and : Gore Bill	: Title II : Aiken Act	: Anderson : Bill	: USDA : Proposal
Nonrecourse loans.....	X	X	X	X
Purchase agreements.....	X	X	X	X
Direct purchase and resale:				
Entire crop.....	X	Wool	Wool and Oilseeds	Wool
Secondary uses.....	X	X	X	X
Export sale.....	X	X	X	X
Relief distribution (none).....				
Production payments to farmer.....		X		X
Payments to processors..	X	X	X	X
Consumer subsidy:				
All consumers (none)...				
Food allotment (none)...				
School lunch.....	X	X	X	X
Special merchandizing programs.....	X	X	X	X

TABLE 4

COMPARISON OF DIFFERENT FORMULAS

Illustration of alternative 1950 parity prices for specified commodities (based on an estimated 1940-49 average price received by farmers and July 15, 1949, parity index)

Commodity	Unit	Gore Bill and Title I Present Parity	Title II (Aiken Act)	Income Support Standard	Anderson Bill Title II Parity Including Wages
		Dollars	Dollars	Dollars	Dollars
Basic commodities:					
Wheat.....	Bu.	2.16	2.04	1.86	2.04
Corn.....	Bu.	1.57	1.49	1.45	1.50
Cotton.....	Lb.	.3026	.2874	.2776	.2874
Rice.....	Bu.	1.98	2.18	2.24	2.30
Peanuts.....	Lb.	.117	.111	.0937	.111
Tobacco:					
Flue-cured.....	Lb.	.469	.476	.487	.503
Burley.....	Lb.	.455	.483	.490	.511
Nonbasic commodities:					
Hogs.....	Cwt.	17.70	18.44	18.80	19.44
Eggs.....	Doz.	.525	.498	.454	.498
Milk, wholesale.....	Cwt.	3.90	4.10	4.19	4.54
Butterfat.....	Lb.	.642	.651	.663	.730
Chickens.....	Lb.	.278	.286	.288	.302
Potatoes.....	Bu.	1.79	1.70	1.57	1.70
Flaxseed.....	Bu.	4.12	4.20	4.27	4.43
Soybeans.....	Bu.	2.34	2.48	2.52	2.63
Wool.....	Lb.	.447	.496	.492	.523
Oats.....	Bu.	.974	.916	.818	.916
Barley.....	Bu.	1.51	1.43	1.21	1.43
Beef cattle.....	Cwt.	13.20	16.33	16.70	17.33
Lambs.....	Cwt.	14.30	17.56	18.20	18.89
Apples.....	Bu.	2.34	2.57	2.59	2.71

SUMMARY OF PRINCIPAL PROVISIONS
OF THE AGRICULTURAL ACT OF 1949

The Agricultural Act of 1949 deals with agricultural commodities in three groups: basic commodities, designated nonbasic commodities, and other nonbasic commodities. It becomes effective, with respect to price support operations, for crops the marketing year or season for which commences on or after January 1, 1950, except that the Secretary may elect to make its provisions effective earlier if such action will not reduce the level of price support on programs begun or announced.

BASIC AGRICULTURAL COMMODITIES

Price support for cooperators (producers who do not knowingly exceed their acreage allotments) is mandatory, if producers do not disapprove marketing quotas, for the basic commodities--corn, cotton, wheat, rice, tobacco, and peanuts--, at the following levels:

- (a) For 1950 crops, the level of price support is 90 percent of parity if acreage allotments or quotas are in effect.
- (b) For 1951 crops, if acreage allotments or marketing quotas are in effect, the level of price support is not more than 90 percent or less than 80 percent of parity or such higher percentage as may be called for by the scales (hereinafter referred to as "sliding scales") which fix the minimum level of support between 75 and 90 percent of parity according to the relationship of the total supply of the commodity as of the beginning of the marketing year to the normal supply. The exact level of support within this range would be within the discretion of the Secretary.
- (c) For the 1952 and succeeding crops (and for any 1950 or 1951 crop for which marketing quotas are not disapproved but for which neither acreage allotments or marketing quotas are in effect), the level of price support is not more than 90 percent of parity or less than the level of support between 75 and 90 percent of parity called for by the sliding scales. The exact level of support within the range of 90 percent of parity and the level called for by the sliding scales would be within the discretion of the Secretary.
- (d) The level of support for tobacco is 90 percent of parity if marketing quotas are in effect.

If marketing quotas are disapproved, price support for cooperators is mandatory at 50 percent of parity for the basic commodities other than tobacco, and there would be no price support for tobacco if marketing quotas were disapproved for that commodity.

Price support for cooperators outside the commercial corn producing area is 75 percent of the level of price support to cooperators in the commercial corn producing area.

Price support to noncooperators is discretionary at levels not in excess of the price support for cooperators.

The support level for Virginia sun-cured and dark air-cured tobacco is continued at 66-2/3 percent of the burley tobacco loan rate, while the support level for fire-cured tobacco is continued at 75 percent of the burley tobacco loan rate (as provided by the Act of July 8, 1945).

DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

Price support is mandatory for wool (including mohair); tung nuts; honey; early, intermediate and late Irish potatoes; milk; butterfat; and the products of milk and butterfat, as follows:

Price support for wool, including mohair, is at such level between 60 percent and 90 percent of parity as the Secretary determines is necessary to encourage an annual production of approximately 360 million pounds of shorn wool. The House Conference Report states that wool and mohair may be treated as separate commodities in fixing the level of support, and that wool includes pulled, as well as shorn, wool.

The level of price support for tung nuts, honey, and early, intermediate, and late Irish potatoes is between 60 percent and 90 percent of parity.

Whole milk, butterfat, and the products of such commodities, respectively, are to be supported at such levels between 75 percent and 90 percent of parity as will assure an adequate supply and such price support is to be provided through loans on, or purchases of, the products of milk and butterfat. The House Conference Report and the debate indicate that the products would be limited to butter, cheese, evaporated milk, and dried milk powders, and that loans on or purchases of such commodities are to be for the benefit of the producers of milk and butterfat.

OTHER NONBASIC AGRICULTURAL COMMODITIES

Price support for nonbasic agricultural commodities, other than the designated commodities, is permissive at any level not in excess of 90 percent of parity. In determining whether support will be provided for any nonbasic commodity, and in fixing the level of such support, the following factors are to be taken into account: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

So far as feasible, price support is to be made available on any storable nonbasic agricultural commodity for which a marketing quota or marketing agreement or order program is in effect at levels not in excess of 90 percent of parity and not less than the level between 75 and 90 percent of parity called for by the sliding scale, but the Secretary may provide for support at a lower level than that called for by the sliding scale if, after consideration of the factors referred to above, he determines it to be desirable and proper.

A commodity is considered storable if in normal trade practice it is stored for substantial periods of time and it can be stored under the price support program without excessive loss or excessive cost for such periods as will permit its disposition without substantial impairment of the price support program.

SECTION 32

Section 32 is amended to require the sums appropriated thereunder to be used principally for perishable nonbasic commodities other than those for which price support is mandatory.

PARITY

The modernized parity formula contained in the Agricultural Act of 1948 is amended to include wartime subsidy payments and wages paid hired farm labor. However, in the case of the basic commodities, the use of the old parity price definition is required at any time during the four year period beginning January 1, 1950, if that price is higher than the modernized parity.

CONDITIONS OF ELIGIBILITY FOR PRICE SUPPORT

The Secretary is given the right to condition eligibility of producers for price support upon compliance with acreage allotments, production goals, and marketing practices, including marketing quotas when authorized by law. A statement in the House Conference Report makes it clear that this provision includes authority to require the use of marketing agreements and orders on potatoes and other nonbasic commodities in areas specified by the Secretary as a condition of eligibility for price support.

PRICE SUPPORT ABOVE 90 PERCENT OF PARITY

Price support at levels in excess of 90 percent of parity is authorized for any agricultural commodity if the Secretary determines after a public hearing that such increased price support is necessary to prevent or alleviate a shortage of a commodity essential to the national welfare or to increase or maintain the production of a commodity in the interest of national security.

FORWARD PRICING

The Secretary is directed, so far as practicable, to announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season. In announcing such levels of support, the Secretary is directed to use the latest statistics and data then available. Announced levels of support would not be reduced even though actual parity prices, when determined, were less than the estimated parity prices used in fixing the announced levels of support.

COMMODITY CREDIT CORPORATION SALES RESTRICTION

Commodity Credit Corporation is prohibited from selling any basic agricultural commodity or storable nonbasic commodity at less than 5 percent above the current support price of such commodity, plus reasonable carrying charges, subject to certain exceptions. Reasonable carrying charges are explained in the House Conference Report as meaning an amount for carrying charges which the Corporation determines will encourage the private trade to purchase and maintain a reasonable inventory of the commodity rather than relying upon the availability of stocks from the Corporation. The exceptions to the sales restrictions are: (A) Sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed

fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

DISPOSITION OF PERISHABLE FOOD COMMODITIES

The Secretary and Commodity Credit Corporation are authorized under such terms as are deemed to be in the public interest to make available to the Munitions Board or any other Federal agency any food commodities which are in danger of deterioration or spoilage before they can be disposed of in normal domestic channels without impairing the price support program, for use in making payments for commodities not produced in the United States.

Any such commodities not disposed of by the foregoing means may be made available free of cost at the point of storage in accordance with the following priorities:

- (a) To school lunch programs and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the relief of Indians and other needy persons;
- (b) To private welfare organizations for the assistance of needy persons within the United States; and
- (c) To private welfare organizations for the assistance of needy persons outside the United States.

FARM CREDIT STORAGE FACILITY LOANS TO COOPERATIVES

The Farm Credit Act of 1933 is amended to permit loans to cooperatives, up to a maximum of 80 percent of cost, for the construction or expansion of storage facilities other than refrigerated cold storage, in areas where existing privately owned facilities are inadequate, if Commodity Credit Corporation will lease or guarantee utilization of not less than 75 percent of the storage space for three years if such structures are new, and for two years if they are additions to existing structures.

REPEAL OF 1948 ACT

The Act repeals the price support provisions of the Agricultural Act of 1948 and of the Agricultural Adjustment Act of 1938, as amended.

MARKETING QUOTA PROVISIONS

CORN

The Act changes the definition of "normal supply" to increase the carryover allowances from 7 percent of the domestic and export requirements to 10 percent of such requirements; extends the date for proclaiming quotas for the 1950 crop of corn to February 1, 1950; and changes the acreage allotment for corn so as to make available a "normal supply" rather than a supply equal to the "reserve supply level".

RICE

The 1938 Act is amended to permit the establishment of farm allotments on the basis of the history of rice production on the farm in those States where such method of allotment is recommended by the State committee. Unless such recommendation is made, farm allotments are required to be established on the basis of the personal history of the producers on the farm.

Provision is made for the use of county acreage allotments in States in which farm acreage allotments are established on the basis of the history of rice production on the farm rather than on the basis of personal history of rice production by the producers.

Farm marketing quotas are to be proclaimed when the total supply exceeds the normal supply of rice by more than 10 percent. The 1948 Act had changed the 1938 Act to provide for quotas when the total supply exceeds the normal supply by more than 20 percent.

The provisions relating to farm marketing quotas are changed to authorize the use of the "farm marketing excess" approach, similar to the present law with respect to corn and wheat. The new legislation provides for avoidance of the penalty on the farm marketing excess by storage or such other disposition as the Secretary may prescribe.

OTHER QUOTA AMENDMENTS

The effective date of certain provisions of the 1948 Act, relating to definitions of "carry-over", "normal supply", and "total supply" and marketing quotas for tobacco, are advanced from January 1, 1950, to the effective date of the new legislation.

A slight change was made in the recent cotton legislation to increase the county reserve for new farms and "adjustments" from 10 to 15 percent of the county allotment.

United States Department of Agriculture
Production and Marketing Administration

October 1949

THE AGRICULTURAL ACT OF 1949

(A Digest)

The Agricultural Act of 1949 makes price support mandatory for the "basic" commodities--corn, cotton, wheat, rice, tobacco, and peanuts--and for certain designated nonbasic commodities--wool, mohair, tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat. Price support is permissive for other nonbasic commodities at the discretion of the Secretary of Agriculture. The new legislation becomes effective, with respect to price-support operations for crops the marketing year or season for which commences on or after January 1, 1950; but the Secretary of Agriculture may make its provisions effective earlier if such action will not reduce the level of price support on programs begun or announced.

SUPPORT LEVELS

Basic Commodities

CORN, COTTON, WHEAT, RICE, AND PEANUTS:

In 1950: 90 percent of parity is mandatory to cooperators (producers who do not knowingly exceed their acreage allotments) if marketing quotas have not been disapproved and if acreage allotments or marketing quotas are in effect.

50 percent of parity would be available to producers who comply with acreage allotments if producers disapprove marketing quotas.

Not more than 90 percent of parity nor less than the level of support between 75 and 90 percent of parity called for by "sliding scales" set forth in the act (the exact level of support within this range being discretionary with the Secretary of Agriculture), is mandatory to cooperators if producers have not disapproved marketing quotas, and if no acreage allotments or marketing quotas are in effect.

The sliding scales referred to above fix the minimum level of support between 75 and 90 percent of parity in accordance with the relationship between the total supply and the normal supply at the beginning of the marketing year. (See page 8.)

In 1951: Not more than 90 percent of parity nor less than (1) 80 percent of parity or (2) a level between 80 and 90 percent of parity as called for by the sliding scales (the exact level of support within the applicable range being discretionary with the Secretary of Agriculture), is mandatory to cooperators if marketing quotas have not been disapproved and if acreage allotments or marketing quotas are in effect.

50 percent of parity would be available to producers who comply with acreage allotments if producers disapprove marketing quotas.

Not more than 90 percent of parity nor less than the level of support between 75 and 90 percent of parity called for by the sliding scales (the exact level of support within this range being discretionary with the Secretary of Agriculture), is mandatory to cooperators if producers have not disapproved marketing quotas, and if no acreage allotments or marketing quotas are in effect.

In 1952 and after : Not more than 90 percent of parity nor less than the level of support between 75 and 90 percent of parity called for by the sliding scales (the exact level of support within this range being discretionary with the Secretary of Agriculture), is mandatory if producers have not disapproved marketing quotas.

50 percent of parity would be available to producers who comply with acreage allotments if producers disapprove marketing quotas.

TOBACCO:

In 1950 and after : 90 percent of parity is mandatory to cooperators if marketing quotas are in effect, except that fire-cured tobaccos will be supported at 75 percent of the burley rate; and dark air-cured tobaccos, including Virginia sun-cured tobacco, will be supported at 66 2/3 percent of the burley rate.

No support will be available if producers disapprove marketing quotas.

Not more than 90 percent of parity nor less than the level of support between 75 and 90 percent of parity called for by the sliding scales (the exact level of support within this range being discretionary with the Secretary of Agriculture), is mandatory to cooperators if producers have not disapproved marketing quotas, and if no acreage allotments or marketing quotas are in effect.

Other price-support provisions applicable to basic commodities:

1. For the years 1950-53 inclusive, support prices for basic commodities will be based on parity prices calculated by the "old" or "new" parity formulas, whichever results in the higher price. It appears that use of the old formula will be more advantageous to producers of wheat, corn, cotton, and peanuts, while use of the new formula will mean higher prices in the case of rice and tobacco. Beginning in 1954, only the new formula will be used. (See the section on PARITY, page 4.)

2. Price support for noncooperators is discretionary with the Secretary of Agriculture at a level not in excess of the level for cooperators.

3. Price support for cooperators outside the commercial corn-producing area is 75 percent of the level of price support to cooperators in the commercial corn-producing area.

Designated Nonbasic Commodities

(1950 and after)

WOOL (INCLUDING MOHAIR): Price support for wool (including mohair) is to be established at such level between 60 and 90 percent of parity (calculated by the "new" formula) as the Secretary of Agriculture determines is necessary to encourage an annual production of approximately 360,000,000 pounds of shorn wool. (The House Conference Report states that wool and mohair may be treated as separate commodities in fixing the level of support, and that "wool" includes pulled, as well as shorn wool.)

TUNG NUTS, HONEY, AND IRISH POTATOES: The support level is between 60 and 90 percent of parity, (as calculated by the "new" formula.)

WHOLE MILK, BUTTERFAT, AND THE PRODUCTS OF SUCH COMMODITIES: Prices are to be supported at such levels between 75 and 90 percent of parity (as calculated by the "new" formula) as will assure an adequate supply. Such price support is to be provided through loans on, or purchases of, the products of milk and butterfat. (The House Conference Report and the debate indicate that the products would be limited to butter, cheese, evaporated milk, and dried milk powders, and loans on or purchases of such commodities would be undertaken only for the benefit of producers of milk and butterfat.)

Other Nonbasic Commodities

Price support for nonbasic agricultural commodities, other than the designated commodities, is permissive at any level not in excess of 90 percent of parity. In determining whether support will be provided for any nonbasic commodity, and in fixing the level of such support, the following factors are to be considered: (1) the supply of the commodity in relation to the demand therefor; (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn; (3) the availability of funds; (4) the perishability of the commodity; (5) the importance of the commodity to agriculture and the national economy; (6) the ability to dispose of stocks acquired through a price-support operation; (7) the need for offsetting temporary losses of export markets; and (8) the ability and willingness of producers to keep supplies in line with demand. In determining the level of support for undesignated nonbasic commodities, particular consideration must be given to the level of support for competing commodities.

So far as feasible, price support is to be made available to cooperators on any storable nonbasic agricultural commodity for which a marketing quota or marketing agreement or order program is in effect at levels not in excess of 90 percent of parity and not less than the level between 75 and 90 percent of parity called for by a sliding scale set forth in the act. But the Secretary of Agriculture may provide for support at a lower level than that called for by the sliding scale if, after consideration of the eight factors listed above, he determines it to be desirable and proper.

A commodity is considered storable if, in normal trade practice, it is stored for substantial periods of time and it can be stored under the price support program without excessive loss or cost for such periods as will permit its disposition without substantial impairment of the price-support program.

At present, there is no legal authority to establish marketing quotas for nonbasic commodities, and the coverage of marketing orders is very limited. Debate in the House indicates that the House Committee on Agriculture will consider legislation which will authorize marketing quotas on nonbasic commodities and permit marketing order programs with respect to additional commodities.

OTHER PRICE PROVISIONS

CONDITIONS OF ELIGIBILITY: The Secretary of Agriculture is given the right to condition eligibility of producers for price support upon compliance with acreage allotments, production goals, and marketing practices, including marketing quotas when authorized by law. (A statement in the House Conference Report makes it clear that this provision includes authority to require the use of marketing agreements and orders on potatoes and other nonbasic commodities in areas specified by the Secretary as a condition of eligibility for price support.)

PRICE SUPPORT ABOVE 90 PERCENT OF PARITY: Price support at levels in excess of 90 percent of parity is authorized for any agricultural commodity if the Secretary determines after a public hearing that increased price support is necessary to prevent or alleviate a shortage of a commodity essential to the national welfare or to increase or maintain the production of a commodity in the interest of national security.

FORWARD PRICING: The Secretary is directed, so far as practicable, to announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season. In announcing such levels of support, the Secretary is directed to use the latest statistics and data then available. Announced levels of support would not be reduced even though actual parity prices, when determined, were less than the estimated parity prices used in fixing the announced levels of support.

PARITY

A "new" or "modernized" parity formula is provided which takes into consideration prices received by farmers during the most recent 10 calendar years or the most recent 10 marketing seasons, including wartime subsidy payments received by producers on milk, butterfat, beef cattle, sheep, and lambs under programs to maintain price ceilings established by the Office of Price Administration. With respect to prices paid, the formula makes allowance for wages farmers pay hired labor. Parity prices as calculated with the new formula may not drop more than 5 percent per year below what they would be as computed with the old formula, prices thus scaled down being called "transitional parity prices."

Parity prices under the "old" formula are based on the relationship between prices received by farmers for a commodity during a given base period (August 1909-July 1914 for most major commodities) and the index of prices paid by farmers for items used in living and production, plus interest and taxes.

As noted on page 3, support prices for basic commodities will be based until 1954 on whichever of the two parity calculations results in the higher parity price. For nonbasic commodities, support prices will be based, beginning in 1950, on parity prices resulting from the new parity formula.

The Bureau of Agricultural Economics has made comparisons of parity prices as computed with the old and new formulas. The parity prices according to the old formula are based on the September 15, 1949, parity index. Parity prices calculated according to the new formula are based on estimated 1940-49 average prices received by farmers and the September 15, 1949 index of prices paid by farmers including interest, taxes, and farm wage rates. These comparisons, only for illustration and subject to revision, are as follows:

Illustrations of Parity for Specified Commodities

Commodity	Unit	Parity Prices as computed with "old" formula	Parity prices as computed with "new" formula	Transitional parity prices
		<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Basic commodities				
Wheat	bu.	2.14	1.88	
Corn	bu.	1.55	1.47	
Cotton	lb.	.3001	.2810	
Rice	bu.	1.97	2.27	
Peanuts	lb.	.116	.0949	
Tobacco				
Flue-cured	lb.	.463	.495	
Burley	lb.	.448	.497	
Designated nonbasic commodities				
Milk	100 lb.	3.87	4.41	
Butterfat	lb.	.639	.704	
Wool	lb.	.443	.502	
Mohair	lb.	.666	.666	
Tung nuts	ton	---	101.00	
Honey, wholesale-				
Extracted	lb.	.174	.170	
Comb	lb.	.308	.293	.293
Potatoes	bu.	1.77	1.61	1.68

Illustrations of Parity for Specified Commodities (Cont'd)

Commodity	Unit	Parity Prices as computed with "old" formula	Parity Prices as computed with "new" formula	Transitional parity prices
		<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Other nonbasic commodities				
Hogs	100 lb.	17.60	19.00	
Chickens	lb.	.276	.291	
Eggs	doz.	.520	.459	.494
Turkeys	lb.	.348	.365	
Oats	bu.	.966	.829	.918
Barley	bu.	1.50	1.22	1.42
Rye	bu.	1.74	1.55	1.65
Grain Sorghums	100 lb.	2.93	2.43	2.78
Flaxseed	bu.	4.09	4.31	
Soybeans	bu.	<u>1/</u> 2.32	2.55	
Beans, dry	100 lb.	8.16	8.49	
Peas, dry	100 lb.	<u>1/</u> 5.08	5.61	
Beef cattle	100 lb.	13.10	17.00	

1/ Comparable prices

MARKETING QUOTA PROVISIONS

CORN: The act changes the definition of "normal supply" to increase the carry-over allowances from 7 percent of the domestic and export requirements to 10 percent; extends the date for proclaiming quotas for the 1950 crop to February 1, 1950; and changes the acreage allotment so as to make available a "normal supply" rather than a supply equal to the "reserve supply level."

RICE: The 1938 act is amended to permit the establishment of farm allotments on the basis of the history of rice production on the farm in those States where such method of allotment is recommended by the State committee. Unless such recommendation is made, farm allotments are required to be established on the basis of the personal history of the producers on the farm.

Provision is made for the use of county acreage allotments in States in which farm acreage allotments are established on the basis of the history of rice production on the farm rather than on the basis of personal history of rice production by producers.

Farm marketing quotas are to be proclaimed when the total supply exceeds the normal supply of rice by more than 10 percent. The 1948 act had changed the 1938 act to provide for quotas when the total supply exceeds the normal supply by more than 20 percent.

The provisions relating to farm marketing quotas are changed to authorize the use of the "farm marketing excess" approach, similar to the present law with respect to corn and wheat. The new legislation provides for avoidance of the penalty on the farm marketing excess by storage or such other disposition as the Secretary of Agriculture may prescribe.

COTTON: The new legislation amends Public Law 272, 81st Congress, to increase from 10 to 15 percent the acreage reserve which the county committee may withhold for specified adjustments in farm allotments and for new farms. This change is expected to give the county committees more flexibility in meeting special situations. The percentage of the reserve to be used by the county committee to the extent required for adjustments of 5 to 15 acre allotments was changed from 30 to 20 percent, but the actual acreage that will be available for such adjustments remains the same as under Public Law 272. The legislation also provides authority for the State committee to withhold certain reserves for specified adjustments in county acreage allotments.

FARM CREDIT STORAGE FACILITY LOANS TO COOPERATIVES

The Farm Credit Act of 1933 is amended to permit loans to cooperatives, up to a maximum of 80 percent of cost, for the construction or expansion of storage facilities other than refrigerated cold storage, in areas where existing privately owned facilities are inadequate, if the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 percent of the storage space for three years if such structures are new, and for two years if they are additions to existing structures.

OTHER PROVISIONS

Restrictions on sales of CCC-owned commodities: The Commodity Credit Corporation is prohibited from selling any basic agricultural commodity or storable nonbasic commodity at less than 5 percent above the current support price of such commodity, plus reasonable carrying charges, subject to certain exceptions, as follows: (a) sales for new or byproduct uses; (b) sales of peanuts and oilseed for extraction of oil; sales for seed or feed if such sales will not substantially impair any price-support program; (d) sales of commodities which have substantially deteriorated in quality or when there is danger of loss or waste through deterioration or spoilage; (e) sales to establish claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (f) sales for export; (g) sales of wool; and (h) sales for other than primary uses.

Disposition of perishable food commodities: The Secretary of Agriculture and the Commodity Credit Corporation may make available to the Munitions Board or any other Federal agency any food commodities which are in danger of deterioration or spoilage before they can be disposed of in normal domestic channels without impairing the price support program, for use in making payments for commodities not produced in the United States.

Any commodities not disposed of as outlined above may be made available free of cost at the point of storage in accordance with the following priorities: (1) to school lunch programs and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the relief of Indians and other needy persons; (2) to private welfare organizations for the assistance of needy persons within the United States; and (3) to private welfare organizations for the assistance of needy persons outside the United States.

Section 32: Section 32 (of Public Law 320, 74th Congress) is amended to require that the sums appropriated thereunder to be used principally for perishable nonbasic commodities other than those for which price support is mandatory.

THE SLIDING SCALES

The support level shall not be less than the following percentages of the parity price:

If the supply percentage as of the beginning of the marketing year is--

	for tobacco,* corn, wheat, rice, and undesignated non- basic commodities--		for cotton and peanuts--	
	<u>over</u>	<u>not over</u>	<u>over</u>	<u>not over</u>
90	--	102	--	108
89	102	104	108	110
88	104	106	110	112
87	106	108	112	114
86	108	110	114	116
85	110	112	116	118
84	112	114	118	120
83	114	116	120	122
82	116	118	122	124
81	118	120	124	125
80	120	122	125	126
79	122	124	126	127
78	124	126	127	128
77	126	128	128	129
76	128	130	129	130
75	130	--	130	--

* Except as otherwise provided.